Congressional Research Service
Informing the legislative debate since 1914

One Big Beautiful Bill Act (H.R. 1): Title I, Farm Safety Net and Miscellaneous Provisions

June 23, 2025

Congressional Research Service
https://crsreports.congress.gov
R48574

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

One Big Beautiful Bill Act (H.R. 1): Title I, Farm Safety Net and Miscellaneous Provisions

On May 22, 2025, the House passed the One Big Beautiful Bill Act (H.R. 1), providing for budget reconciliation pursuant to the FY2025 House budget resolution (H.Con.Res. 14). Title I ("Committee on Agriculture"), Sections 10101 and 10108, of H.R. 1 would increase funds available for certain farm support programs and miscellaneous programs that support agricultural and related sectors. According to a June 4, 2025, estimate by the Congressional Budget Office (CBO), Sections 10101 and 10108 would increase federal outlays by approximately $52.3 billion and $1.6 billion, respectively, over 10 years. Title I of H.R. 1 includes other provisions that CBO projects would increase or would decrease federal outlays. CBO estimates that Title I, in total, would reduce the deficit by roughly $238 billion over 10 years.

Sections 10101 and 10108 would affect agricultural programs typically authorized and/or amended, among other programs, in a farm bill. The previous farm bill, the Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334), was extended twice in the 118th Congress (until September 30, 2025, and for the 2025 crop year).

Section 10101 of H.R. 1 would amend and extend commodity support programs enacted in the 2018 farm bill through crop year 2031. The bill would increase the revenue guarantees and reference prices for commodities covered under the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, respectively. The bill would provide a one-time opportunity to grant eligible producers new base acre holdings. The bill would increase payment limits for ARC and PLC and increase Marketing Assistance Loan rates. The bill would require the U.S. Department of Agriculture (USDA), in operating sugar support programs, to prioritize sugar beet processors if marketing allotments are adjusted higher, reallocate tariff-rate quota shortfalls by March 1, and provide a report to Congress on refined sugar imports. The dairy provisions of H.R. 1 would increase the amount of milk production a producer could enroll in the Dairy Margin Coverage program. The bill would require dairy product manufacturers to report production costs and yield information to USDA in order to update "make allowances" for the Federal Milk Marketing Order system.

Section 10101 of H.R. 1 would expand the types of eligible losses covered under the permanently authorized agricultural disaster assistance programs. The bill would increase coverage levels and lower the threshold for triggering payments for certain eligible losses. The bill would modify eligibility criteria to allow entities with average adjusted gross incomes greater than $900,000 to participate in certain disaster assistance and conservation programs.

Section 10101 of H.R. 1 would increase certain crop insurance premium subsidies and increase additional premium subsidies available for beginning farmers and ranchers. The bill would increase coverage levels for Supplemental Coverage Option and Whole Farm Revenue Protection policies, increase support for administrative and operating costs incurred by approved crop insurance providers, and increase funds available for program compliance and integrity.

Section 10108 of H.R. 1 would provide funding for each of FY2026 to FY2030 for the National Animal Health Laboratory Network, National Animal Disease Preparedness Response Program, and National Animal Vaccine and Veterinary Countermeasures Bank. The bill would provide funding for the Sheep Production and Marketing Grant Program and would extend funding for trust funds that support the pima cotton, wool, certain textile, and citrus industries.

SUMMARY

R48574

June 23, 2025

Stephanie Rosch, Coordinator
Analyst in Agricultural Policy

Lia Biondo
Analyst in Agricultural Policy

Benjamin Tsui
Analyst in Agricultural Policy

Christine Whitt
Analyst Agricultural Policy

Contents

Tables

Contacts

On May 22, 2025, the House passed H.R. 1, the One Big Beautiful Bill Act, providing for budget reconciliation pursuant to H.Con.Res. 14, the budget resolution for FY2025. The budget reconciliation process allows Congress to use expedited procedures to develop and consider certain legislation that would affect direct spending, revenues, and/or the debt limit.[1]

A reconciliation directive in H.Con.Res. 14 instructs the House Committee on Agriculture to develop and submit changes to laws within its jurisdiction that would reduce the deficit by at least $230 billion from FY2025 through FY2034. These provisions are contained in Title I of H.R. 1. The Congressional Budget Office (CBO) projects that some provisions in Title I of H.R. 1 would decrease, and some would increase, federal outlays.[2]

Title I, Section 10101, of H.R. 1 would extend the authorities for certain farm support programs through FY2031 and crop year 2031. Sections 10101 and 10108 would increase funds available for these farm support programs and other miscellaneous programs for agricultural and related sectors. According to a June 4, 2025, estimate from CBO, Sections 10101 and 10108 would increase federal outlays by approximately $52.3 billion and $1.6 billion, respectively, over 10 years.[3] CBO estimates that Title I, considered alone, would reduce federal outlays by roughly $238 billion over 10 years.[4]

Title I of H.R. 1 would modify programs that are typically authorized and/or amended as part of omnibus legislation generally referred to as a farm bill. The authorities of the previous farm bill, the Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334), were extended twice in the 118th Congress, and are now set to expire on September 30, 2025, and for the 2025 crop year.[5] The 2018 farm bill covers numerous policies and programs, including those concerning commodity support, conservation, trade and food aid, domestic food assistance, credit, rural development, research, forestry, energy, horticulture, and crop insurance, not all of which are addressed in H.R. 1. The 118th Congress considered, but did not enact, The Farm, Food, and National Security Act of 2024 (H.R. 8467, 118th Congress) and The Rural Prosperity and Food Security Act of 2024 (S. 5335, 118th Congress).[6]

This report summarizes Sections 10101 and 10108 of H.R. 1 and compares them with current law from the 2018 farm bill.

[1] For more information about the budget reconciliation process, see CRS Report R48474, *Reconciliation Instructions in the House and Senate FY2025 Budget Resolutions: In Brief*; CRS Report R44058, *The Budget Reconciliation Process: Stages of Consideration*; CRS Report RL30458, *The Budget Reconciliation Process: Timing of Legislative Action*; and CRS Report R48444, *The Reconciliation Process: Frequently Asked Questions*.

[2] For more information about the nutrition provisions of the agriculture title of H.R. 1, see CRS Report R48552, *Supplemental Nutrition Assistance Program (SNAP) and Related Nutrition Programs in the House-Passed Budget Reconciliation Bill: In Brief*. For more information about the conservation provisions of the agriculture title of H.R. 1, see CRS Insight IN12560, *One Big Beautiful Bill Act (H.R. 1): Section 10102, Agricultural Conservation*. For more information about the specialty crop provisions of the agriculture title of H.R. 1, see CRS Insight IN12559, *One Big Beautiful Bill Act (H.R. 1, House-Passed Version): Selected Horticultural Provisions (Title I, Subtitle B)*.

[3] Congressional Budget Office (CBO), Table 1, in *Estimated Budgetary Effects of* H.R. 1, *the One Big Beautiful Bill Act*, June 4, 2025, https://www.cbo.gov/publication/61461 (hereinafter CBO, Table 1, in *Estimated Budgetary Effects*).

[4] CBO, Table 1, in *Estimated Budgetary Effects*.

[5] The Further Continuing Appropriations and Other Extensions Act, 2024 (P.L. 118-22, Division B, §102), extended the 2018 farm bill to cover FY2024 and the 2024 crop year. The American Relief Act, 2025 (P.L. 118-158, Division D), extended the 2018 farm bill to cover FY2025 and the 2025 crop year.

[6] For background on considerations involving possible reauthorization of the 2018 farm bill, see CRS Report R47659, *Expiration of the 2018 Farm Bill and Extension for 2025*.

Safety Net, Section 10101

Section 10101 includes provisions that would modify various agricultural commodity support programs, agricultural disaster assistance programs, and the Federal Crop Insurance Program (FCIP). These programs often are referred to as the "farm safety net."[7] Commodity support programs are available for eligible producers of a defined set of agricultural commodities, including certain field crops (e.g., corn, cotton, peanuts, rice, soybeans, wheat), dairy, sugar, and other commodities. Agricultural disaster assistance programs and the FCIP are available for a wide array of field crops, specialty crops (e.g., fruits, vegetables, tree nuts), and livestock.

Section 10101 would suspend through crop year 2031 non-expiring farm bill provisions enacted in the 1930s and 1940s;[8] amend and extend through crop year 2031 the commodity support programs enacted in the 2018 farm bill; amend the permanently authorized agricultural disaster assistance programs; modify eligibility criteria that apply to agricultural commodity support, disaster assistance, and conservation programs; and make changes to the FCIP. Section 10101 also would provide $50 million to the U.S. Department of Agriculture (USDA) to fund implementation of these changes.[9]

Agriculture Risk Coverage and Price Loss Coverage Programs[10]

The Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs provide income support to eligible producers of eligible commodities during periods of relatively low market prices and/or crop production. The ARC program provides payments triggered by low average county revenue relative to recent historical averages. The PLC program provides payments triggered by low average national prices relative to statutory reference prices. The ARC and PLC programs make payments per enrolled *base acre* (i.e., a unit of production associated with specific tracts of farmland in proportion to historical production of certain crops).

Section 10101 of H.R. 1 would grant eligible agricultural producers a one-time option to expand and allocate base acre holdings in proportion to average 2019-2023 plantings of covered and noncovered commodities. Section 10101 would allow producers to allocate existing unassigned base acres to a covered commodity. The bill would limit the total existing unassigned and newly granted base acres to no more than 30 million acres, effectively increasing total base acres nationwide from approximately 274 million to approximately 304 million.

Section 10101 would extend the ARC program through the 2031 crop year. Section 10101 would increase the ARC county revenue guarantee from 86% to 90% of historical average revenue and increase the maximum payment amount from 10% to 12.5% of the county revenue guarantee. These changes would increase the likelihood of triggering a payment and increase the payments made to eligible producers when triggered.

[7] For background on farm safety net programs, see CRS In Focus IF12218, *Farm Bill Primer: Farm Safety Net Programs*.

[8] §10101(n). As extended, the 2018 farm bill suspends a set of non-expiring provisions from the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949—commonly known as "permanent law"—through December 31, 2025. Permanent law authorizes commodity support provisions that are generally considered inconsistent with modern farming practices, marketing systems, and international trade agreements. Each farm bill since the 1960s and 1970s contained a temporary suspension of permanent law. For additional background, see CRS Report R47659, *Expiration of the 2018 Farm Bill and Extension for 2025*.

[9] §10101(o).

[10] §10101(a), §10101(b), §10101(c), §10101(d), and §10101(e).

Section 10101 would extend the PLC program through the 2031 crop year. For crop years 2026 through 2030, Section 10101 would increase the PLC statutory reference prices for specified commodities (**Table 1**). This change would increase the likelihood of triggering a payment and increase the payments made to eligible producers when triggered. Beginning in crop year 2031, H.R. 1 would require USDA to increase the reference price for the specified commodities by 0.5%. Although H.R. 1 would not extend the PLC program beyond the 2031 crop year, Section 10101 would require USDA to continue to increase the reference price by 0.5% of the previous year's reference price for each crop year after 2031, up to a maximum of 115% of the 2030 reference price.

Table 1. Statutory Reference Prices: Current Law and Proposed by H.R. 1

Commodity	Unit	Current Law	H.R. 1 Crop Years 2026-2030
Barley	bushel	$4.95	$5.45
Canola	cwt	$20.15	$23.75
Chickpeas (large)	cwt	$21.54	$25.65
Chickpeas (small)	cwt	$19.04	$22.65
Corn	bushel	$3.70	$4.10
Cotton (seed)	pound	$0.367	$0.42
Crambe	cwt	$20.15	$23.75
Flaxseed	cwt	$20.15	$23.75
Lentils	cwt	$19.97	$23.75
Mustard seed	cwt	$20.15	$23.75
Oats	bushel	$2.40	$2.65
Peanuts	ton	$535.00	$630.00
Peas (dry)	cwt	$11.00	$13.10
Rapeseed	cwt	$20.15	$23.75
Rice (long grain)	cwt	$14.00	$16.90
Rice (medium and short grain)	cwt	$14.00	$16.90
Rice (temperate japonica)	cwt	$17.30	$24.33
Safflower	cwt	$20.15	$23.75
Sesame seed	cwt	$20.15	$23.75
Sorghum (grain)	bushel	$3.95	$4.40
Soybeans	bushel	$8.40	$10.00
Sunflower seed	cwt	$20.15	$23.75
Wheat	bushel	$5.50	$6.35

Source: CRS calculations using 7 U.S.C. §9011; 7 U.S.C. §9016; and the One Big Beautiful Bill Act (H.R. 1) as passed by the House on May 22, 2025.

Notes: cwt = hundredweight. Current law establishes a statutory reference price of $20.15 per cwt for other oilseeds (7 U.S.C. §9011(19)), which are defined to include sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary (7 U.S.C. §9011(13)). H.R. 1 would increase the statutory reference price for other oilseeds to $23.75 per cwt (§10101(a)). Current law establishes a statutory reference price of $14.00 per cwt for medium grain rice (7 U.S.C. §9011(19)), which is defined to include short grain rice and temperate japonica rice (7 U.S.C. §9011(12)). Current law also defines temperate japonica rice to be certain rice grown in the western United States as determined by the Secretary and establishes a formula for USDA to use to calculate a separate reference price for temperate japonica rice (7 U.S.C. §9011(23)). Current law requires USDA to set the reference price for temperate japonica rice at the reference price for medium grain rice multiplied by the average marketing year average price for medium grain rice for 2012-2016 and divided by the average marketing year average price for all rice for 2012-2016 (7 U.S.C. §9016(g)), equal to $17.30 per cwt. In addition to increasing the statutory reference price for medium grain rice, H.R. 1 would change the dates used in the formula for calculating the reference price for temperate japonica rice from the average for 2012-2016 to the average for 2017-2021(§10101(d)(4)). This formula would become $16.90 per cwt multiplied by $20.04 per cwt divided by $13.92 per cwt, equal to $24.33 per cwt. Beginning in crop year 2031, H.R. 1 would require USDA to increase the reference price for the listed commodities by 0.5%. Although H.R. 1 would not extend PLC beyond the 2031 crop year, Section 10101 would require USDA to continue to increase the reference price by 0.5% of the previous year's reference price for each crop year after 2031, up to a maximum of 115% of the 2030 reference price. A crop year is the 12-month period that ends when harvest is completed. A marketing year is that 12-month period that begins when harvesting commences. Crop and marketing years vary by commodity.

As seen in **Table 1**, these provisions would increase statutory reference prices by between 10% and 21% depending on the commodity, except for temperate japonica rice, which would see a 41% increase.

Related CRS Products

- CRS In Focus IF12114, *Farm Bill Primer: PLC and ARC Farm Support Programs*
- CRS Report R45730, *Farm Commodity Provisions in the 2018 Farm Bill (P.L. 115-334)*
- CRS In Focus IF12418, *U.S. Farm Commodity Support: Base Acres and Payment Yields*

Payment Limits and Eligibility Criteria[11]

Certain payment limits and eligibility criteria apply to multiple farm programs, including ARC, PLC, and certain disaster assistance programs and conservation programs. These payment limits and eligibility criteria restrict eligibility for these programs to producers and business entities with no more than $900,000 in average adjusted gross income (AGI) and limit the maximum benefits available from these programs.[12] ARC and PLC payments for peanuts are limited to $125,000 per person. ARC and PLC payments for all commodities except peanuts are limited to $125,000 per person. For joint ventures and general partnerships, exceptions apply to the payment limits for peanuts and for all commodities except peanuts. Payment limits for joint ventures and general partnerships are equal to the payment limit per person multiplied by the number of eligible persons or legal entities that own the business.

Section 10101 of H.R. 1 would increase the maximum ARC and PLC payment limit per person from $125,000 to $155,000. A producer would be eligible to receive up to $155,000 in peanut payments and up to $155,000 in payments for all commodities except peanuts (i.e., up to $310,000 total for all commodities inclusive). H.R. 1 also would require USDA to adjust payment limits for inflation annually beginning with the 2025 crop year.

H.R. 1 would create a new category of business entity, a "qualified pass-through entity," which would include certain partnerships and S corporations (as defined in the Internal Revenue Code) and certain limited liability companies, joint ventures, and general partnerships. Under current law, some of these partnerships, S corporations, and limited liability companies have the same

[11] §10101(f), §10101(g), and §10101(h).

[12] The Marketing Assistance Loan and Loan Deficiency Payment programs also limit eligibility to farmers with no more than $900,000 in average adjusted gross income.

payment limit as individuals (i.e., $125,000 for peanuts and $125,000 for all commodities except peanuts).

H.R. 1 would replace the exception to payments limits for joint ventures and general partnerships with an exception for qualified pass-through entities. Qualified pass-through entities would be eligible for ARC and PLC payment limits equal to the payment limit per person multiplied by the number of eligible persons or legal entities that own the qualified pass-through entity.

In addition, H.R. 1 would create an exception to AGI limits. This exception would allow producers and business entities whose AGI exceeds $900,000 to participate in certain disaster assistance and conservation programs if 75% or more of their average gross income (AGI) (i.e., gross income before applying adjustments to calculate the AGI) is derived from eligible agricultural activities.[13]

Related CRS Product

- CRS Report R46248, *U.S. Farm Programs: Eligibility and Payment Limits*

Marketing Assistance Loans and Loan Deficiency Payments[14]

The Marketing Assistance Loan (MAL) program and the Loan Deficiency Payment (LDP) program provide price support to producers when market prices drop below statutory levels. The MAL program provides nine-month loans to farmers; the loans are collateralized by eligible stored commodities. The 2018 farm bill authorized MAL program nonrecourse loans for marketable-grade commodities and MAL program recourse loans for certain lower quality commodities. Under nonrecourse loans, USDA must accept the forfeited crop pledged as collateral as full payment of an outstanding loan. Under recourse loans, the borrower is liable for repaying the loan in full.

Section 10101 of H.R. 1 would extend MAL program nonrecourse and recourse loans through the 2031 crop year. It would set MAL rates for crop years 2026-2031.

Table 2. Marketing Assistance Loan Rates: Current Law and Proposed by H.R. 1

Commodity	Unit	Current Law	H.R. 1 Crop Years 2026-2031
Barley	bushel	$2.50	$2.75
Canola	cwt	$10.09	$11.10
Chickpeas (large)	cwt	$14.00	$15.40
Chickpeas (small)	cwt	$10.00	$11.00
Corn	bushel	$2.20	$2.42
Cotton (extra long staple)	pound	$0.95	$1.00
Cotton (upland)	pound	$0.45-$0.52[a]	$0.55
Crambe	cwt	$10.09	$11.10
Flaxseed	cwt	$10.09	$11.10

[13] Eligible agricultural activities include farming, ranching, silviculture, agritourism, direct-to-consumer marketing of agricultural products, the sale of agricultural equipment by a person or legal entity that owns such equipment, and other agriculture-related activities as determined by the Secretary.

[14] §10101(i), §10101(j), and §10101(k).

Commodity	Unit	Current Law	H.R. 1 Crop Years 2026-2031
Honey	pound	$0.69	$1.50
Lentils	cwt	$13.00	$14.30
Mohair	pound	$4.20	$5.00
Mustard Seed	cwt	$10.09	$11.10
Oats	bushel	$2.00	$2.20
Peanuts	ton	$355.00	$390.00
Peas (dry)	cwt	$6.15	$6.87
Rapeseed	cwt	$10.09	$11.10
Rice (long and medium grain)[b]	cwt	$7.00	$7.70
Safflower	cwt	$10.09	$11.10
Sesame seed	cwt	$10.09	$11.10
Sorghum (grain)	bushel	$2.20	$2.42
Soybeans	bushel	$6.20	$6.82
Sugar (raw cane)	pound	$0.1975	$0.24
Sugar (refined beet)	pound	$0.2538	$0.3277
Sunflower seed	cwt	$10.09	$11.10
Wheat	bushel	$3.38	$3.72
Wool (graded)	pound	$1.15	$1.60
Wool (nongraded)	pound	$0.40	$0.55

Source: CRS calculations using 7 U.S.C. §9032; 7 U.S.C. §7272; and the One Big Beautiful Bill Act (H.R. 1) as passed by the House on May 22, 2025.

Notes: cwt = hundredweight.

a. Under current law, the MAL rate for upland cotton is the average of the marketing year average price for the preceding two years, limited to a range of $0.45-$0.52 per pound. The MAL rate for upland cotton was $0.52 per pound for crop years 2019 through 2024.

b. MAL loans are authorized for long and medium grain varieties only.

As seen in **Table 2**, the MAL rates would increase by 117% for honey, 39% for graded wool, 38% for nongraded wool, 29% for refined beet sugar, 22% for raw cane sugar, 19% for mohair, 12% for dry peas, 6% for upland cotton, 5% for extra long staple (ELS) cotton, and 10% for all other eligible commodities. The bill would also extend authority for storage payments to producers for forfeited upland and ELS cotton through the 2031 crop year. The bill would increase the minimum storage payment for forfeited cotton from $3.9333 per bale per month for Arizona and California to $4.90 per bale per month and from $2.394 per bale per month for all other states to $3.00 per bale per month. The bill would make changes to how world prices for upland and ELS cotton are calculated for the purpose of repaying MALs. For additional discussion of MALs for sugar, see "Sugar Program."

H.R. 1 would extend LDPs through the 2031 crop year, to include commodities eligible for MALs; commodities used for hay or silage; and wheat, barley, oats, or triticale used for grazing. The bill also would increase the payments to domestic users of upland cotton who participate in the Economic Adjustment Assistance for Textile Mills program and extend the Special Competitive Provisions for ELS Cotton program.[15]

Related CRS Products

- CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*
- CRS Report R45730, *Farm Commodity Provisions in the 2018 Farm Bill (P.L. 115-334)*
- CRS In Focus IF12195, *Farm Bill Primer: Support for Cotton*

Sugar Program[16]

The U.S. sugar program supports the U.S. sugar industry (i.e., producers and processors of sugarcane and sugar beets) by providing MALs to sugar processors, restricting domestic supply of sugar with marketing allotments for sugar processors, and limiting sugar imports through tariff-rate quotas (TRQs).[17]

Section 10101 of H.R. 1 would increase the marketing loan rate for raw sugar cane processors from $0.1975 per pound to $0.24 per pound and increase the rate for beet sugar processors from $0.2538 per pound to $0.3277 per pound for crop years 2025-2031 (see "Marketing Assistance Loans and Loan Deficiency Payments"). In the case that sugar used to collateralize a MAL loan is forfeited by a sugar processor, current law requires USDA to provide payments to processors who store the forfeited sugar. H.R. 1 would increase the storage rates USDA pays to processors for forfeited sugar storage from not less than $0.15 per hundredweight per month to not less than $0.34 per hundredweight per month for refined sugar and from not less than $0.10 per hundredweight per month to not less than $0.27 per hundredweight per month for raw cane sugar.

H.R. 1 would extend the provisions for the flexible marketing allotments for sugar through crop year 2031. It would require USDA to prioritize increasing allotments for sugar beet processors if total marketing allotments were adjusted higher. Additionally, if sugar beet marketing allotments need to be adjusted, USDA would be required to reassign sugar beet marketing allotments within 30 days of the publication of USDA's January World Agricultural Supply and Demand Estimates (WASDE) report.

H.R. 1 would require USDA to determine which foreign countries do not intend to fill their sugar quotas and reallocate the forecasted shortfall to fulfill U.S. TRQ commitments. USDA would be required to reallocate any additional raw sugar TRQ shortfall forecasted by March 1 of the quota year. These shortfall reallocation provisions would cease if the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico were terminated and no countervailing duty order were in effect for sugar from Mexico.[18] H.R. 1 would require any adjustments of TRQs

[15] The Economic Adjustment Assistance for Textile Mills program makes monthly payments to eligible domestic cotton mills. The payments must be used for capital investments that contribute to domestic manufacturing of upland cotton. The Special Competitive Provisions for ELS Cotton program makes payments to eligible mills that use ELS cotton and eligible exporters of ELS cotton. Payments are triggered when the adjusted world price for ELS cotton is less than the domestic price of ELS cotton for four consecutive weeks, and the lowest priced comparable foreign-grown cotton is less than 113% of the MAL rate, or $1.0735 per pound.

[16] §10101(l).

[17] *Tariff-rate quotas* are two-tiered applications of tariffs for an imported product. A specified quantity of imports enters the importing country at a reduced tariff rate. Imports that exceed the quantity face higher tariffs.

[18] Department of Commerce, International Trade Administration, "Sugar from Mexico: Suspension of Countervailing (continued...)

before April 1 to be for the sole purpose of responding directly to a sugar shortage emergency in the United States caused by events such as war or natural disaster.

H.R. 1 would require USDA to study whether additional terms and conditions on refined sugar imports are needed and to provide a report to Congress on the agency's findings within one year of enactment. Based on the findings of the report, USDA would be authorized to issue regulations on refined sugar imports that would not adversely impact the domestic sugar industry and would be consistent with MAL program requirements for sugar and obligations of international trade agreements approved by Congress.

Related CRS Products

- CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*
- CRS Report R45730, *Farm Commodity Provisions in the 2018 Farm Bill (P.L. 115-334)*
- CRS Report R47836, *USDA's Foreign Agricultural Service: An Overview*

Dairy Policy[19]

The Dairy Margin Coverage (DMC) program and the Federal Milk Marketing Order (FMMO) system support dairy producers. The DMC program pays participating producers the difference between a producer-selected guarantee and the national milk margin (all-milk price minus an average feed cost ration). Margin payments are based on producers' milk production history, not actual milk marketings (i.e., quantity of milk sold). FMMOs are geographically defined fluid-milk demand areas.[20] Under FMMO law and regulations, USDA establishes a minimum milk price, and milk handlers (processors) are required to pay milk producers no less than the minimum price for fluid milk, referred to as the uniform pricing formula.

Section 10101 of H.R. 1 would extend the DMC program's authorization to 2031.[21] The section would amend how USDA determines a participating dairy's DMC production history. For dairies that operated in 2021, 2022, or 2023, H.R. 1 would require USDA to use the dairy's highest milk marketings for those years to establish the dairy's DMC production history. For dairies operating for less than one year, the bill would retain the existing statutory requirements that allow dairies to choose between two options.[22] H.R. 1 does not address the DMC production history for dairy operations with one year or more of production histories that have no milk marketings in 2021, 2022, or 2023. It is unclear how USDA would determine DMC production history for such dairy operations. In addition, H.R. 1 would raise the covered production history from 5 million pounds

Duty Investigation," 79 *Federal Register* 78044, December 29, 2014. For more information about countervailing duties, see CRS Report R46882, *Trade Remedies: Countervailing Duties*; and CRS In Focus IF10018, *Trade Remedies: Antidumping and Countervailing Duties*.

[19] §10101(m).

[20] See CRS Report R45044, *Federal Milk Marketing Orders: An Overview*.

[21] The Dairy Margin Coverage (DMC) program pays participating producers the difference between a producer-selected guarantee and the national milk margin (all-milk price minus an average feed cost ration). Margin payments are based on producers' milk production history, not actual milk marketings (i.e., milk sold). Producers pay annual premium rates based on two tiers of production history: Tier I premiums for 5 million or less pounds and higher Tier II premiums for more than 5 million pounds. For more information on the DMC program, see CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*.

[22] Current law allows a dairy with less than one year of production history to elect its DMC production history based on either the volume of the actual milk marketings for the months that the dairy has been in operation extrapolated to a yearly amount or an estimate of the ratio of the size of the dairy's herd relative to the national rolling herd average data published by the Secretary (7 U.S.C. §9055(b)(1)).

to 6 million pounds for both Tier I and Tier II premiums and authorize a 25% premium discount for a one-time premium election covering calendar years 2026-2031.

H.R. 1 would require USDA to make available $10 million to administer a survey of dairy product manufacturers' production costs and yield information and publish the results biennially.[23] USDA would be able to use the information collected to update "make allowances" for the FMMO system.[24]

Related CRS Products

- CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*
- CRS Report R45044, *Federal Milk Marketing Orders: An Overview*
- CRS In Focus IF12923, *Pricing Amendments to the Federal Milk Marketing Orders*

Supplemental Agricultural Disaster Assistance Programs[25]

Several federal programs, including livestock and fruit tree disaster programs, aim to help agricultural producers recover from the effects of natural disasters. The Livestock Indemnity Program (LIP) provides payments to eligible livestock owners and contract growers to compensate for livestock deaths in excess of normal mortality or livestock that are sold at reduced prices because of an eligible loss condition (e.g., adverse weather, disease, or animal attack). The Livestock Forage Disaster Program (LFP) makes payments to eligible livestock producers who have suffered grazing losses on drought-affected pastureland or on federally managed rangeland due to a qualifying fire. The Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) provides payments to producers of livestock, honey bees, and farm-raised fish to compensate for losses due to disease, adverse weather, feed, water shortages, or other conditions not covered under LIP or LFP. The Tree Assistance Program (TAP) makes payments to qualifying orchardists and nursery-tree growers for replanting or rehabilitating trees, bushes, and vines damaged by natural disasters.

Section 10101 would increase LIP payment rates for losses due to eligible animal predation, authorize USDA to allow eligible producers to submit documentation to assist in determining an animal's market value, and expand LIP eligible livestock losses to include unborn livestock.[26] H.R. 1 would amend TAP by lowering the eligible normal mortality loss threshold and increase assistance for eligible rehabilitation costs. Additionally, it would expand the types of eligible drought conditions covered and increase payments for certain eligible drought conditions under LFP. H.R. 1 would modify ELAP to expand eligible losses to include predation of farm-raised fish and add an eligible loss threshold when determining honey bee colony losses.

Related CRS Products

- CRS In Focus IF12101, *Farm Bill Primer: Disaster Assistance*
- CRS Report RS21212, *Agricultural Disaster Assistance*

[23] §10101(o) would appropriate $50 million for USDA to implement §10101, of which $10 million would be allocated for surveying dairy processors.

[24] Make allowances represent the costs manufactures incur to convert milk into dairy products (e.g., butter, cheese, dry whey, and nonfat dry milk). This information is used in the Federal Milk Marketing Orders' uniform pricing formula.

[25] §10101(p) and §10101(q).

[26] For more information on the supplemental agricultural disaster assistance programs, see CRS Report RS21212, *Agricultural Disaster Assistance*.

- CRS Report R48082, *Livestock Forage Disaster Program (LFP): Drought and Wildfire Assistance*

Crop Insurance[27]

The FCIP offers subsidized crop insurance policies that producers can purchase to cover a wide variety of crops and livestock. These policies pay indemnities for yield and revenue losses caused by adverse growing and market conditions, including natural disasters. The Federal Crop Insurance Corporation (FCIC)—a government corporation within USDA—subsidizes part of the policy premium (about 60% on average in crop year 2024), with the subsidy payment depending on the coverage a producer purchased and other factors. Policyholders—farmers and ranchers—pay the remaining premium. Private insurance companies, known as "approved insurance providers" (AIPs), sell and service the policies in return for administrative and operating (A&O) subsidies from the FCIC. The FCIC also reinsures a portion of an AIP's underwriting risk as specified in a mutually negotiated contract (e.g., Standard Reinsurance Agreement).

Section 10101 of H.R. 1 would increase premium subsidies for farm-level yield coverage and farm-level revenue coverage for basic and optional units (**Table 3**).[28] The bill would expand the Supplemental Coverage Option (SCO)—a type of county-level coverage—and increase SCO premium subsidies from 65% to 80%. The bill would expand the maximum coverage level for Whole Farm Revenue Protection policies from 85% to 90%. The bill also would modify the definition of *beginning farmers and ranchers* and increase the premium subsidies available for these individuals.

Table 3. Crop Insurance Premium Subsidies: Current Law and Proposed by H.R. 1

Farm-Level Yield and Revenue Policies Coverage Levels for Basic and Optional Units	Current Law	H.R. 1
Catastrophic Only	100%	100%
50%	67%	67%
55%	64%	69%
60%	64%	69%
65%	59%	64%
70%	59%	64%
75%	55%	60%
80%	48%	51%

[27] §10101(r), §10101(s), §10101(t), §10101(u), §10101(v), §10101(w), and §10101(x).

[28] Basic, optional, enterprise, and whole farm units are types of units used in the Federal Crop Insurance Program (FCIP) to define the geographic boundaries and production characteristics of insured commodities. For background on the units used in the FCIP, see CRS Report R46686, *Federal Crop Insurance: A Primer*. In addition to farm-level yield and revenue coverage, basic and optional units are used for farm-level dollar-denominated coverages. For additional information on dollar coverage, see USDA, Risk Management Agency, "Dollar Plan," https://old.rma.usda.gov/en/Policy-and-Procedure/Insurance-Plans/Dollar-Plan. §10101(t) would increase the subsidy schedule for basic and optional units. 7 U.S.C. §15018(e)(5) requires USDA to pay premium subsidies for enterprise and whole farm units that provide the same dollar amount of premium subsidy per acre as would be provided for the equivalent basic or optional units, up to a maximum of 80% of the total premium rate. Because H.R. 1 would increase premium subsidies for basic and optional units, H.R. 1 would potentially require USDA to increase premium subsidy schedules for some enterprise and whole farm units.

Farm-Level Yield and Revenue Policies Coverage Levels for Basic and Optional Units	Current Law	H.R. 1
85%	38%	41%

Source: CRS using 7 U.S.C. §1508 and the One Big Beautiful Bill Act (H.R. 1) as passed by the House on May 22, 2025.

Notes: Catastrophic only coverage insures farmers against yield losses of 50% or more of average farm-level yields indemnified at 55% of the expected price. Other coverage levels are available for yield or revenue losses and provide indemnities at 100% of the expected price. For background on basic and optional units, see CRS Report R46686, *Federal Crop Insurance: A Primer*.

H.R. 1 would increase A&O subsidies in certain states and years with relatively high losses, increase A&O subsidy rates for specialty crop policies each year beginning in the 2026 reinsurance year, and require USDA to annually adjust caps limiting A&O subsidy payments for certain policies. The bill would increase funding for program compliance and integrity activities and establish a pilot program to provide index-based insurance for contract poultry growers.

Related CRS Products

- CRS In Focus IF12201, *Farm Bill Primer: Federal Crop Insurance Program*
- CRS Report R46686, *Federal Crop Insurance: A Primer*
- CRS In Focus IF12189, *Federal Crop Insurance Program (FCIP): Limits on Administrative and Operating Subsidies*

Miscellaneous, Section 10108

Section 10108 of H.R. 1, titled "Miscellaneous," covers a several matters across three provisions. It would require the Secretary of Agriculture to make available $233 million in Commodity Credit Corporation (CCC) funds for each of FY2026-FY2030 for the National Animal Health Laboratory Network (NAHLN), National Animal Disease Preparedness Response Program (NADPRP), and National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB).[29] Of that total funding, $10 million would be reserved for NAHLN, $70 million for NADPRP, and $153 million for NAVVCB. The bill would increase the underlying permanent baseline for NAHLN, NAVVCB, and NADPRP of $30 million per year to $75 million beginning in FY2031, of which $45 million would be reserved for NADPRP.[30]

The Sheep Production and Marketing Grant Program (7 U.S.C. §1627a), a competitive grant program created to strengthen the U.S. sheep industry, would receive $3 million in mandatory funding in FY2026.[31] Established in the Agricultural Act of 2014 (P.L. 113-79), the program was initially funded by a $1.5 million transfer from the CCC in FY2014. Congress authorized the program to receive $2 million in FY2019 and $400,000 in FY2024 from the CCC.

[29] More information on these programs is available at USDA, Animal and Plant Health Inspection Service (APHIS), "About NAHLN," March 17, 2025, https://www.aphis.usda.gov/labs/nahln/about; USDA, APHIS, "National Animal Disease Preparedness and Response Program," April 10, 2025, https://www.aphis.usda.gov/funding/nadprp; and USDA, APHIS, "National Animal Vaccine and Veterinary Countermeasures Bank," March 11, 2024, https://www.aphis.usda.gov/animal-emergencies/navvcb. For background on the Commodity Credit Corporation, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*.

[30] For a discussion of the implications of budget baseline, see CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*.

[31] USDA, Agricultural Marketing Service, "Sheep Production and Marketing Grant Program," https://www.ams.usda.gov/services/grants/spmgp.

The bill would extend funding for several trust funds that support the pima cotton (i.e., ELS cotton), wool, certain textile, and citrus industries. The following trust funds would continue to receive mandatory funding through calendar year 2031:

- Pima Agriculture Cotton Trust Fund ($16 million),
- Wool Apparel Manufacturers Trust Fund (the lesser of $30 million or "the amount the Secretary determines to be necessary to make payments required by this section in that calendar year"),
- Wool Research, Development, and Promotion Trust Fund ($2.25 million), and
- Emergency Citrus Disease Research and Development Trust Fund ($25 million for each of FY2025-FY2031).[32]

Related CRS Products

- CRS In Focus IF12934, *Farm Bill Primer: Animal Disease Management and Prevention*
- CRS In Focus IF12195, *Farm Bill Primer: Support for Cotton*
- CRS Report R47836, *USDA's Foreign Agricultural Service: An Overview*

Author Information

Stephanie Rosch, Coordinator
Analyst in Agricultural Policy

Benjamin Tsui
Analyst in Agricultural Policy

Lia Biondo
Analyst in Agricultural Policy

Christine Whitt
Analyst Agricultural Policy

Disclaimer

[32] See 7 U.S.C. §2101, note. See also P.L. 113-79; 7 U.S.C. §7101, note; and 7 U.S.C. §7632, note.