The information in this presentation is accurate to the best of my knowledge as of the date below. Farm bill discussions are ongoing and USDA does periodically change program guidance. Please check with your Extension Educator or USDA Representative for the most up to date information.

Ag Policy Update

Amy D. Hagerman

Department of Agricultural Economics

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Topics for Today

- Implementation of 2025 House Resolution 1 (H.R. 1)
  - Commonly called the 2025 One Big Beautiful Bill Act *or* Working Families Tax Cuts Act
- 2018 Farm Bill Expiration and next steps
  - Farm Food and National Security Act (FFNS) of 2026 *or* Skinny Farm Bill
  - Agricultural Act of 2026 *or* Farm Bill 2.0
- Ad Hoc updates – Harvest Fuel Relief Program
  - Announced but no solid details publicly available

One Big Beautiful Bill Act (OBBBA or OB3) Summary of Changes to Title 1. Commodity Programs

Take home comments for Oklahoma agriculture programs.

1) **The increased reference prices will help the safety net be more effective in covering breakeven costs in some commodities.**
2) **Base acre election ended in August**
3) **2025 payments were the maximum of ARC-CO and PLC for enrolled acres (paid Oct 2026).**
4) **2026 enrollment and election is open with a December 11 deadline (paid Oct 2027).**
5) **2027 enrollment and election is open with a March 15 deadline (paid Oct 2028).**

Reference Prices Increased	✓ 2025
Effective Reference Price Calculation	✓ 2025
New Base Acres	✓ 2026
Producer Election	✓ 2025
ARC Calculations	✓ 2025
Legal Entities	✓ 2026
Payment Limits	✓ 2025
Marketing Loan Rates	✓ 2026
Disaster Program Updates	✓ 2026

Price Loss Coverage (PLC)

PLC Pmt = (Reference Price – MYA Price) x PLC Yield x 90% Base Acres

when the payment is greater than zero

- Marketing Year Average (MYA) Price
  - National weighted average price
  - Weighted by the amount of grain marketed each month
  - All varieties
  - Published by USDA NASS in January
- PLC Yield
  - Farm specific
  - Established in 2019, NOT actual farm yield from the crop year
- Base Acres
  - Historical production acres, NOT actual planted crop acres
  - Last updated in 2008 for soybeans, 2018 for seed cotton, and 2025 for new base acres on previously unbased or under-based farms.

Source: Farmers.gov

Agricultural Risk Coverage - County

Revenue Guarantee = 90% x expected annual price x 5-year Olympic average county yield
Maximum Payment = 12% x expected annual price x 5-year Olympic average county yield
Actual Revenue = MYA price x USDA NASS county yield

ARC-CO Pmt = (Revenue Guarantee – Actual Revenue) x 90% Base Acres
OR the Maximum Payment
when the payment is greater than zero

- Expected annual price, set before enrollment begins
- 5-year Olympic average county yield
  - For 2025, the prices from 2019 to 2023 prices dropping the high and the low year
- NASS county yield, published in January

Source: Farmers.gov

2025 Oklahoma ARC and PLC Payments

Crops with marketing year (June 1 – May 31)

Wheat (Jun 1 – May 31)

- $6.35 effective reference price
- $5.06 final MYA price on 2025/2026 crop
- PLC payment rate **$1.29/bu/acre**

  $42.57 Avg ($29.16 to $49.05) using county average PLC yields
- Final ARC-CO payment rates $/acre

  Dryland

  $22.01 Avg ($0.02 to $35.67)

  Irrigated

  $33.24 Avg ($1.61 to $52.69)

  Combined

  $28.60 Avg ($2.72 to 49.49)

Cotton (Aug 1 – July 31)

- $0.42 effective reference price
- $0.3408 final MYA price on 2025/2026 crop
- PLC payment rate **$0.0792 /lb/acre**

  $85.32 Avg ($48.37 to $233.96) using county average PLC yields
- Final ARC-CO payment rates $/acre

  Combined

  $61.99 Avg ($22.89 to $86.41)

Source: Farmers.gov

2025 Oklahoma ARC and PLC Payments

Crops with marketing year (June 1 – May 31)

Corn (Sep 1 –Aug 31)

- $4.42 effective reference price
- $4.16 final MYA price on 2025/2026 crop
- PLC payment rate **$0.26/bu/acre**
  $28.60 Avg ($2.72 to 49.49)
- Final ARC-CO payment rates $/acre
  Dryland
  $7.06 and **$22.86**
  Irrigated
  $27.51 Avg ($11.51 to $47.51)
  Combined
  $28.60 Avg ($2.72 to $49.49)

Grain Sorghum (Sep 1 – Aug 31)

- $4.67 effective reference price
- $3.67 final MYA price on 2025/2026 crop
- PLC payment rate **$1.00**/bu/acre
  $41.20 Avg ($33.96 to $47.81)
- Final ARC-CO payment rates $/acre
  Combined
  $29.36 Avg ($13.19 to $43.88)

Source: Farmers.gov

2026 crop election decision

- Must provide a new enrollment/election by December 11
- OB3 puts us under a new authorization, the 2025 enrollment can roll over but base acres not elected to either ARC or PLC will not be eligible for 2026 payments.

Some considerations:

1. We will not have final yields for the 2026 crop until January.
2. About 75% of the wheat crop has been marketed, but considerably less of the spring crops just harvested this fall.

Reference Prices	MYA Projected Prices	MY Ends
$6.35/bu for wheat (previous $5.50)	$6.30/bu for wheat	5/31/27
$4.10/bu for corn (previous $3.70)	$4.70/bu for corn	8/31/27
$630/ton peanuts (previous $535)	$480/ton peanuts	5/31/27
$4.40/bu for grain sorghum (previous $3.95)	$4.50/bu for gr sorghum	8/31/27
$2.65/bu for oats (previous $2.40)	$3.35/bu for oats	5/31/27
$0.42/lb seed cotton (previous $0.367)	$0.38/lb seed cotton	7/31/27

Source: Farmers.gov

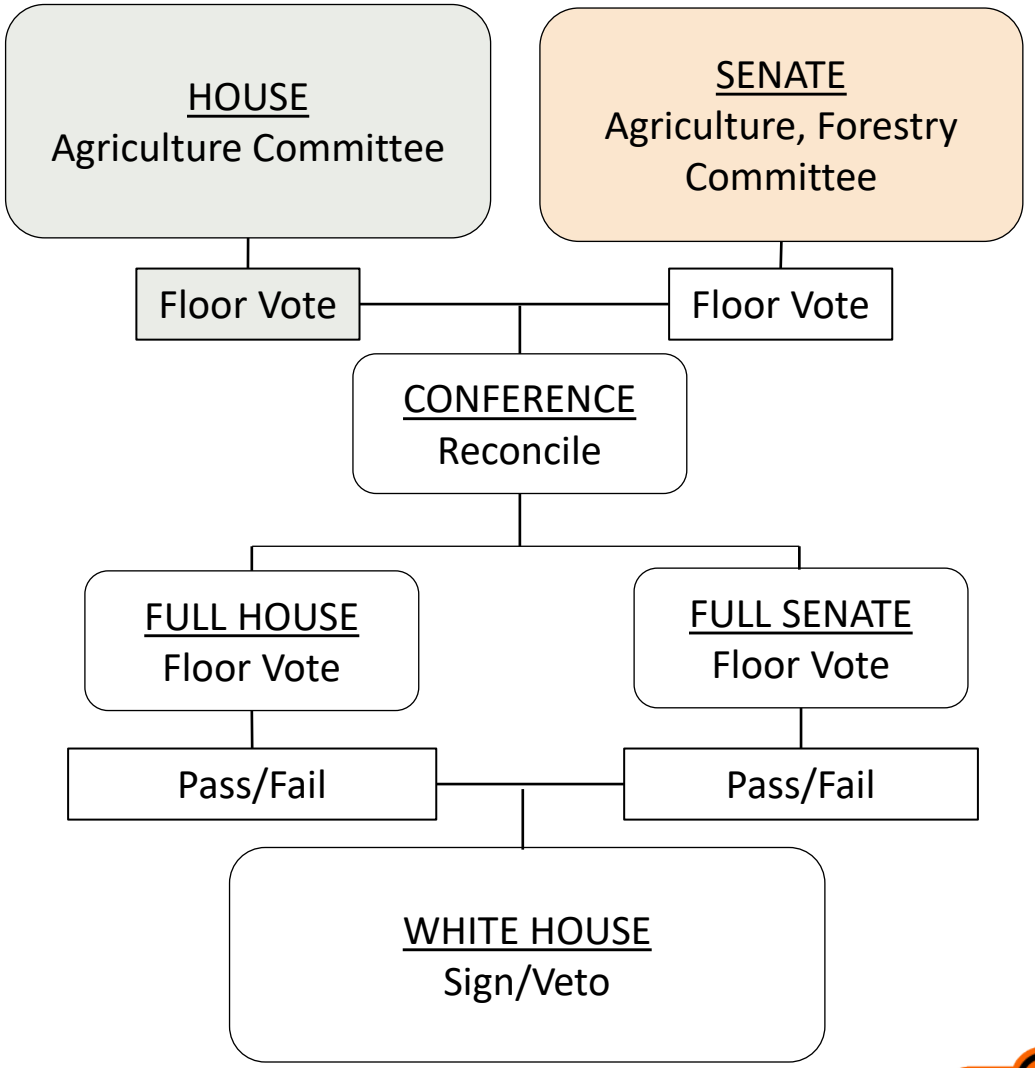
2019-2023, 2024, 2025*, 2026

Listening Sessions

Analysis

Reports

2026 (?)



2026-2031* / 2027-2031?

USDA
Interpretation and
Program guidance

* The OB3 amended multiple titles through 2031.

Path to a Farm Bill

FERGUSON COLLEGE OF AGRICULTURE

A Farm Bill for Christmas?

- We have been in this position before….will we get a new farm bill or perhaps another extension?
- About 1% of funding is still outstanding in this new farm bill.
- We do need an extension of authorizations.
- I think both sides have *incentive* to pass a farm bill in the lame duck session



House versus Senate Farm Bills

Farm, Food and National Security Act of 2026

- Passed House in April 2026 (224:200)
- 976 pages
- Proposition 12 override
- Year-round E15 (separate)
- Pesticide labeling preemption
- Food for Peace formally moved to USDA
- SNAP changes from H.R. 1 intact
- FSA loan limits raised

Agricultural Act of 2026

- Passed out of *committee* in August 2026 (12:11)
- 983 pages
- Year-round E15 (in-bill)
- MCOOL (amendment?)
- Food for Peace expanded and moved to USDA
- SNAP changes from H.R. 1 included a 1-year extension for states to bring down error rates
- FSA loan limits raised

Summary

- I don’t expect ARC/PLC payments to be as high in October 2027 as they were this year.
- Lean on your knowledge of county average yields and watch crop price projections to make your 2026 ARC/PLC decisions.
- Timeframes for 2026 and 2027 ARC/PLC elections overlap. Watch deadlines!
- We still need an extension or a new farm bill by December 31, even though funds are available through 2031.
- Key issues that could make or break the passage of a new farm bill may depend on the priorities of the lame duck Congress and the ability to find a common path forward.
- Ad hoc funding will come out with quick deadlines.





Amy Hagerman

O | 405.744.9811
E | amy.hagerman@okstate.edu
528 Ag Hall
https://extension.okstate.edu/programs/ag-policy-and-law/

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