

Projected Impacts of the One Big Beautiful Bill Act on Georgia Agriculture

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1 Introduction

The One Big Beautiful Bill Act (OBBBA), signed by President Trump on July 4, 2025, included several agriculture-related provisions normally relegated to the Farm Bill. For all intents and purposes, the OBBBA is a substitute Farm Bill. The agricultural sector expected progress on farm legislation in 2023, but no proposals were brought forward. The 2018 Farm Bill was extended through 2025 by the American Relief Act of 2025. Many of the changes made in the OBBBA are similar to the Farm, Food, and National Security Act of 2024, legislation that was introduced in the U.S. House, but never signed into law.

Among agriculture-related provisions in the OBBBA, the most important for Georgia agriculture are changes to commodity program provisions (Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), or what would normally be termed Title I programs in the Farm Bill), changes to crop insurance (what would normally be termed Title XI programs in the Farm Bill), changes to funding for commodity promotion programs, and changes to tax provisions. All of these changes should be favorable for farmers. Overall, the OBBBA is projected to increase support to Georgia producers at a time when prices for many of Georgia's major commodities are relatively low. The following report assesses the potential economic impacts of changes in the OBBBA across a range of farm programs.

2 Commodity Programs

The OBBBA extends ARC and PLC through 2031. An important element of the OBBBA is that farmers will receive the higher of ARC-CO or PLC payments regardless of the program they chose for the 2025 commodity year. From 2026 on, producers will elect either ARC or PLC on an annual basis as normal. The payment limit for the commodity programs was previously set at \$125,000 per legal entity. This limit was raised by the OBBBA to \$155,000. In the future, payment limits will be adjusted for inflation on an annual basis. The OBBBA also creates a type of business entity called a qualified pass-through entity to include certain partnerships, S corporations, and limited liability companies. Qualified pass-through entities will have higher payment limits determined by the number of eligible owners of the entity.

2.1 Reference Prices

A major change in the OBBBA is an across the board increase in statutory reference prices. Table 1 shows the statutory reference prices under the 2018 Farm Bill and the OBBBA. The OBBBA raises reference prices across all major Georgia crops, providing a stronger price floor for producers. Corn's reference price increases from \$3.70 to \$4.10 per bushel, a gain of 10.81%, while soybeans see a larger jump from \$8.40 to \$10.00 per bushel, up 19.05%. Wheat's support price climbs 15.45% to \$6.35 per bushel. For fiber crops, cotton rises from \$0.37 to \$0.42 per pound (13.51%). Peanuts also experience a notable hike, increasing from \$535 to \$630 per ton (17.76%). From 2031 onward, statutory reference prices will increase by 0.5% each year.

[Table 1 about here.]

Figure 1 shows the marketing year average (MYA) prices (projected or final for 2024, and projected for 2025 and 2026) as well as the effective reference prices for PLC under the 2018 Farm Bill and the OBBBA. Projections are based on data from the Farm Service Agency (FSA) as of August 12, 2025. The effective reference price is the higher of the statutory reference price or 88% of the Olympic average price for the five previous full crop years (i.e. the average for the 2025 reference price is from marketing years 2019-2023). The effective reference price is then capped at 1.15 times the statutory reference price. The OBBBA increased the percentage of the Olympic average price used in calculating the effective reference price to 88%, whereas it was previously 85% in the 2018 Farm Bill.

[Figure 1 about here.]

Payouts on PLC occur when the MYA price falls below the effective reference price. Figure 1 shows that PLC is projected to pay out for all five crops under the OBBBA. Payouts would have been projected to occur for all crops, except soybeans, under the parameters of the 2018 Farm Bill. The OBBBA is projected to lead to significant increases in effective reference prices for cotton and peanuts, with more modest increases for corn and soybeans.

2.2 Base Acres

An important OBBBA provision related to commodity programs is the opportunity for producers to voluntarily update base acres. Payments for the 2025 year will be based on a producer's current base acres with any changes to base acres effective in the 2026 crop year. The update does not affect current base acres; producers simply have the ability to add additional base acres to reflect recent plantings. The update differs by covered vs. non-covered commodities. If the average number of acres of covered commodities planted from 2019 to 2023 exceeds the current base, the difference can be added as additional base. Acreage for eligible non-covered commodities from 2019 to 2023 can also be added, as long as the additional acres do not exceed 15% of the farm's total acres. The additional base acres will be assigned in proportion to the planted acreage from 2019 to 2023. Importantly for cotton producers, unassigned (generic) crop base can be included in the allocation of additional base acres.

The calculation for updating base acreage uses the following formula,

$$\begin{array}{rcl} & 2019\text{-}2023 \text{ average acreage of covered crops} & \\ + & 2019\text{-}2023 \text{ average acreage of eligible, non-covered crops} & \\ + & \text{Unassigned (generic) acres} & \\ \hline = & \text{Acreage Sum} & \end{array}$$

If the acreage sum is larger than the farm's base acres, the difference is added to the farm's base. The amount of base acres cannot exceed a farm's total acreage. The total amount of base acres in the U.S. that can be added is capped at 30,000,000 acres and will be pro-rated if the cap is exceeded.

2.3 PLC Payments

Using the formulas for effective reference prices under the 2018 Farm Bill and OBBBA, and projected prices from the FSA, table 2 shows projected 2025 PLC payment rates and payments in dollars per base acre for Georgia crops. The payment rate is the difference in the effective reference price and the marketing year average price for the commodity. The payment per base acre is the payment rate multiplied by the PLC yield and 0.85. Payments are shown for the OBBBA and the 2018 Farm Bill with various combinations of yields representative of production in Georgia. Again, the largest increases in payments (\$ per base acre) from the OBBBA are in cotton and peanuts. Wheat also sees a sizable increase in payments.

[Table 2 about here.]

Using the projected payment rates, and PLC county yields from FSA, figures 2, 3, 4, 5, and 6 show the expected payment per base acre by county in subfigures (a) and (b). Using information on enrolled base acreage in 2025, subfigures (c) and (d) illustrate the projected total payment by county. The figures illustrate the important projected economic impacts that changes in the OBBBA will have on Georgia agriculture in 2025 and beyond. Under the OBBBA, payments to producers in certain Georgia counties will exceed \$10,000,000 for peanuts and \$7,500,000 for cotton. Total 2025 projected payments from PLC by crop are shown in table 3. The changes in the OBBBA are expected to result in an additional \$215,836,116 being directed toward Georgia agriculture via PLC in the 2025 crop year alone.

[Table 3 about here.]

[Figure 2 about here.]

[Figure 3 about here.]

[Figure 4 about here.]

[Figure 5 about here.]

[Figure 6 about here.]

2.4 ARC-CO Payments

The OBBBA also contains several changes to ARC-CO, although these changes are comparatively minor compared to adjustments to statutory reference prices. The revenue guarantee under ARC-CO is increased from 86% to 90% of benchmark (i.e. expected) revenue. ARC-CO payments are now capped at 12% of benchmark revenue instead of the 10% cap under the 2018 Farm Bill. Nonetheless, these changes will have a beneficial effect on the protection afforded to Georgia farmers through the ARC-CO program.

It is difficult to project total payments through ARC-CO as FSA data do not distinguish acres enrolled by practice. However, payments per acre can be projected by crop and practice. For these projections, we assume that the yield in a county is at its ARC-CO benchmark, and the national price is the projected MYA price for the 2025 crop year. Payments will be larger if actual yields are below the benchmark, prices are less than projected, or a combination of the two. Figures 7, 8, 9, 10, and 11 show projected ARC-CO payments by crop, practice, and county. Again, it must be stressed that these projections assume actual yields are at their benchmarks. Peanuts would not receive ARC-CO payments under the 2018 Farm Bill or the OBBBA. Payments per base acre are projected to be more favorable under ARC-CO, as opposed to PLC, for corn, soybeans, and wheat.

[Figure 7 about here.]

[Figure 8 about here.]

[Figure 9 about here.]

[Figure 10 about here.]

[Figure 11 about here.]

3 Crop Insurance

The Federal Crop Insurance Program (FCIP) maintains a position of importance in federal agricultural policy under the OBBBA. While changes to commodity program provisions benefit producers of row crops, changes to the FCIP have the potential to benefit producers of fruits and vegetables if the commodity has access to a farm-level yield or revenue insurance policy. While the OBBBA includes additional funding for program compliance, funding for administrative and operating costs, and support for beginning farmers, the most substantial changes for Georgia producers are changes to premium subsidies and potential for a new poultry insurance program.

3.1 Premium Subsidies

The OBBBA increases premium subsidies at most coverage levels for farm-level yield and revenue insurance policies. The increased premium subsidies only affect basic and optional units, not premium subsidy rates for enterprise and whole farm units. The subsidy rate for catastrophic coverage (effectively 100%) is also unchanged. The changes in premium subsidy rates are shown in table 4 with increases in premium subsidies ranging from 3 to 5% depending on coverage level.

[Table 4 about here.]

Changes in premium subsidy rates will be advantageous for Georgia producers. Many of Georgia's major crops use basic and optional units, as opposed to enterprise units more common in the Midwest. Figure 12 shows crops in Georgia and the fraction of liability in the federal crop insurance program that is in basic or optional units in 2025. All of the crops shown have at least 50% of liability in these basic or optional units and will be able to take advantage of changes to premium support.

[Figure 12 about here.]

Figure 13 shows the government paid premiums at the county level under the 2018 Farm Bill and the OBBBA, as well as the difference in premium support. Liability under different types of insurance plans and coverage levels are fixed at their values in 2025. The plans considered in this analysis are YP, RP, RP-HPE, and APH. Estimates shown here may underestimate additional premium subsidies because the changes in the OBBBA could incentivize producers to switch to greater use of basic and optional units. The total change in premium subsidies across all plans is shown in table 5. Improved subsidy rates are expected to result in roughly \$7 million dollars in additional premium support in 2025 alone. Exact premium savings by county in 2025 are shown in the Appendix.

[Figure 13 about here.]

[Table 5 about here.]

3.2 Poultry Index Insurance

The OBBBA directs USDA to develop a poultry insurance pilot program for contract poultry growers. Producers will be able to purchase an index-based insurance for weather risks that result in increased utility costs. While poultry growers have access to some subsidized insurance options, there has been little development of—and uptake of—insurance policies for the poultry sector. Although there is little information on how the poultry pilot program will work, index-based coverage would be useful for Georgia producers. Evidence of this can be seen in damages from Hurricane Helene. Direct losses from Hurricane Helene for poultry producers were estimated at 194 million dollars with total economic losses at 683 million dollars.

3.3 Supplemental Coverage Option and Other Area-Based Endorsements

The OBBBA directly increased the premium subsidy rate on the Supplemental Coverage Option (SCO) from 65% to 80%. The increased subsidy rate is also being applied to other area-based endorsements including the Enhanced Coverage Option (ECO), Margin Coverage Option (MCO), and Hurricane Insurance Protection Wind Index (HIP-WI). The maximum coverage level for SCO was also extended to 90% and it can be purchased regardless of ARC elections. These changes will benefit Georgia producers, particularly increased subsidies to HIP-WI which has provided significant protection during recent hurricanes.

4 Market Assistance Loan Rates

The Marketing Assistance Loan (MAL) program and the Loan Deficiency Payment (LDP) program provide statutory price support to agricultural producers in circumstances where prevailing market prices fall below established loan rates. The MAL program authorizes nine-month loans to producers, with repayment secured through the pledging of eligible commodities held in approved storage. These loans serve both as a financing mechanism and as a means of providing an effective price floor for supported commodities. The LDP program operates in parallel, permitting producers to forgo a loan and instead receive a direct payment when market prices are below the applicable loan rate, thereby offering income support without the administrative requirements of loan repayment.

The OBBB Act extends the authority for MAL program loans, both nonrecourse and recourse, through the 2031 crop year. This extension ensures the continued availability of MAL as a risk-management instrument over the medium term. Furthermore, the Act would establish statutory MAL loan rates applicable for crop years 2026 through 2031, thereby providing producers with defined levels of federal price support for the duration of that period. The revised loan rates are shown in table 6.

[Table 6 about here.]

5 Tax Provisions

The OBBBA includes several tax provisions. Many are not specific to the agricultural sector, but will prove to be beneficial for Georgia farmers. The OBBBA permanently lowers individual rates and expands standard deductions, with added deductions for seniors (2025–28), preventing major tax hikes for farm families. With respect to business taxes, the OBBBA secures the 20% QBI deduction, restores 100% bonus depreciation, raises §179 limits, adjusts SALT and interest rules, and extends clean fuel credits to support farm profitability. From an estate planning perspective, the legislation raises estate/gift tax exemptions to \$15M per person, keeps stepped-up basis, and safeguards generational transfer of family farms.

6 International Trade and Market Promotion

The OBBBA creates a new Supplemental Agricultural Trade Promotion Program (starting FY2027) with \$268–\$285M annually, more than doubling current MAP and FMD funding levels. Combined with MAP, FMD, and other assistance programs, total trade promotion funding will exceed \$540M—and with Food for Progress included, reach \$825M annually by FY2034. Trade promotion budget estimates are shown in figure 14.

[Figure 14 about here.]

U.S. agriculture faces rising competition, trade tensions, and climate-related shocks. The OBBBA's long-term trade promotion funding strengthens MAP and FMD, expanding support for brand-building, market development, and emerging market investment, while aiding small and mid-sized exporters. With every \$1 invested yielding up to \$24.50 in export returns, these programs have proven highly effective. By shifting to mandatory funding, the OBBB ensures stability and resilience, helping U.S. producers stay competitive in volatile global markets.

7 Summary

The One Big Beautiful Bill Act (OBBBA) makes major changes to farm policy, especially for Georgia. It modifies the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs by increasing statutory reference prices resulting in favorable effective reference price calculations. This leads to significantly higher projected payments to Georgia producers compared to the 2018 Farm Bill. Tables and figures show how base acres, payment rates, and per-acre benefits change for crops such as peanuts, cotton, soybeans, wheat, and corn. The total projected increase in PLC payments for 2025 is on the order of \$215 million. ARC-CO payments are also likely to increase. The Act also expands crop insurance support by raising premium subsidy rates for both Yield Protection and Revenue Protection policies, which increases the total subsidies available to producers. County-level projections illustrate how the new subsidy rates would substantially boost federal support. The premium savings accruing to Georgia producers are projected at \$7 million per year. Overall, the legislation is likely to increase government support to Georgia agriculture relative to the 2018 Farm Bill.

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Figure 1: Projected Effective Reference Prices for 2025 and 2026

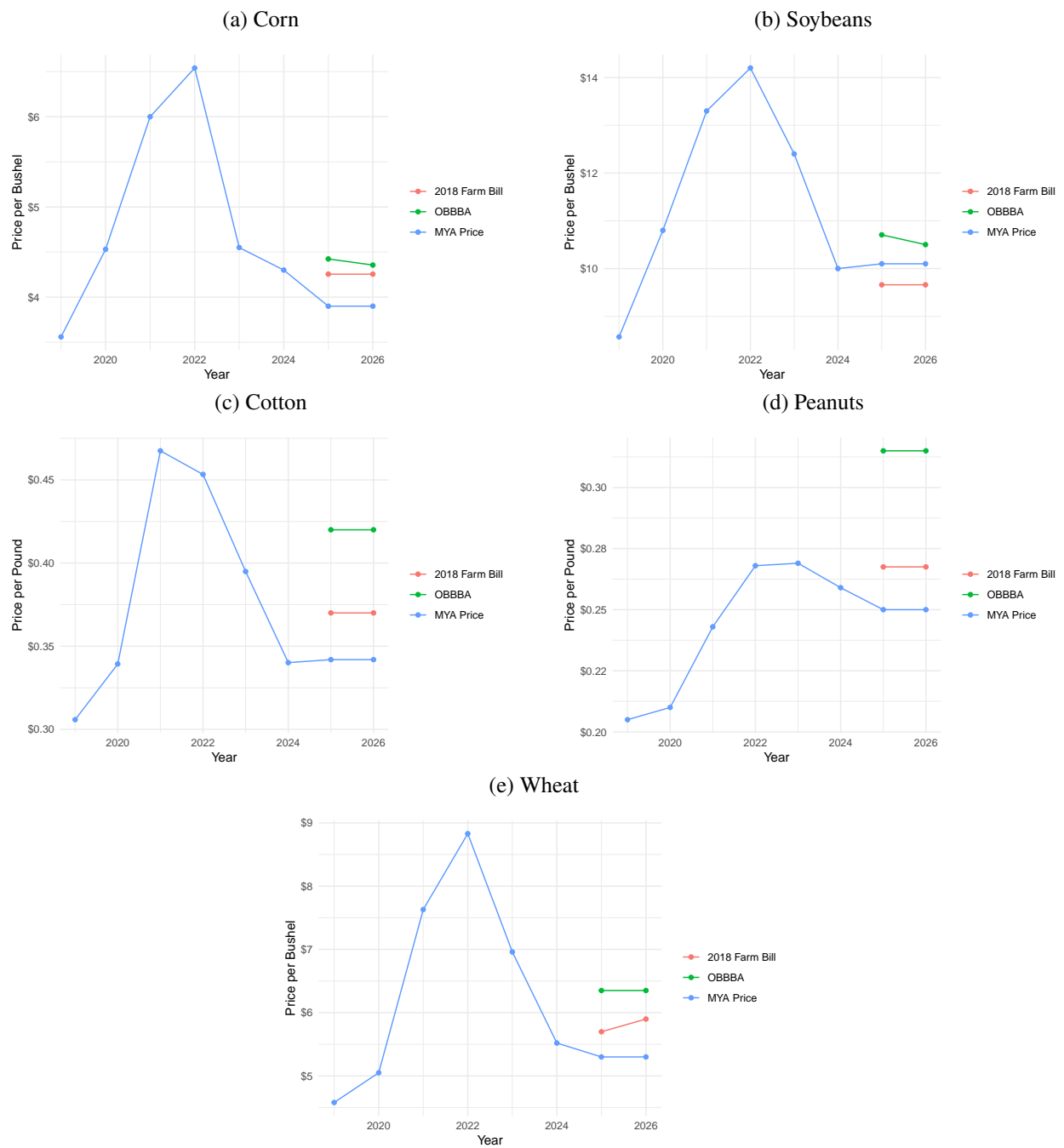


Figure 2: 2025 Cotton Projected PLC Payments by County

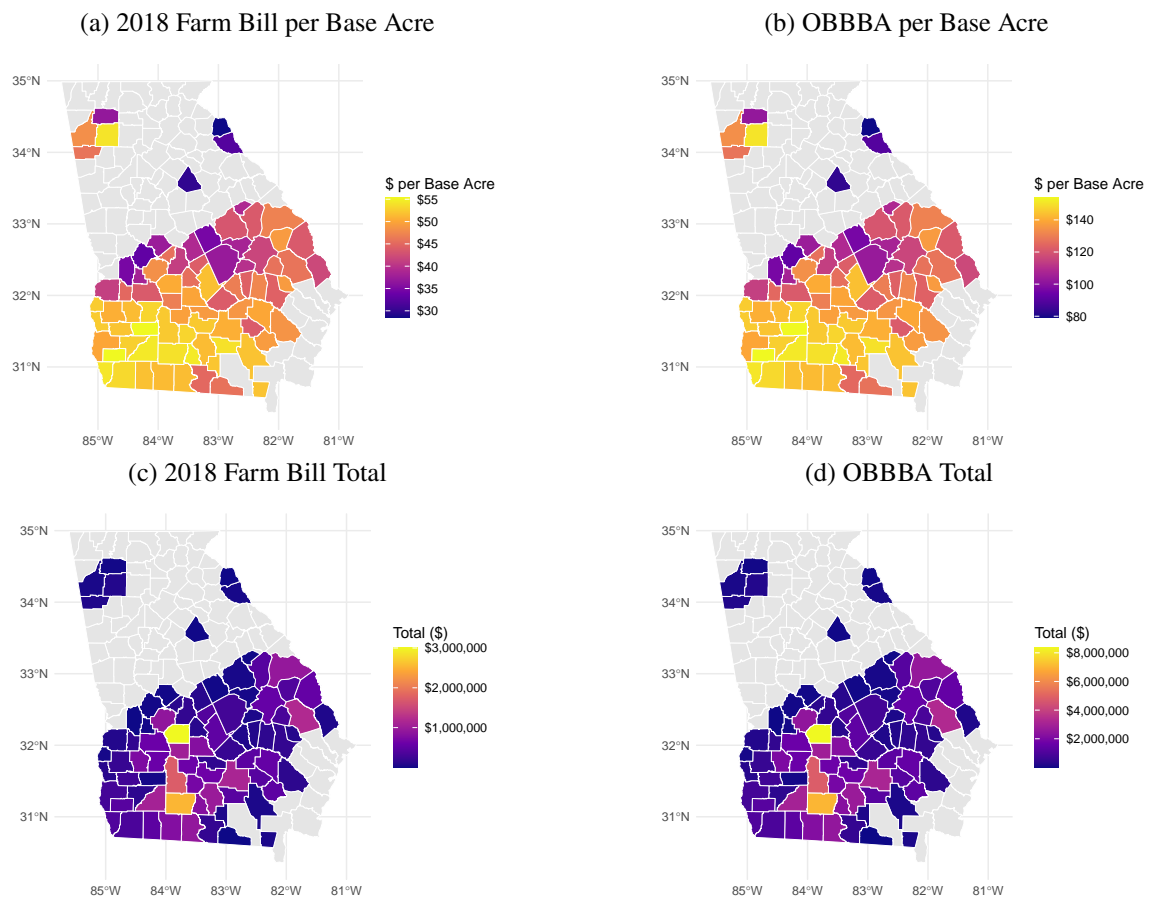


Figure 3: 2025 Peanut Projected PLC Payments by County

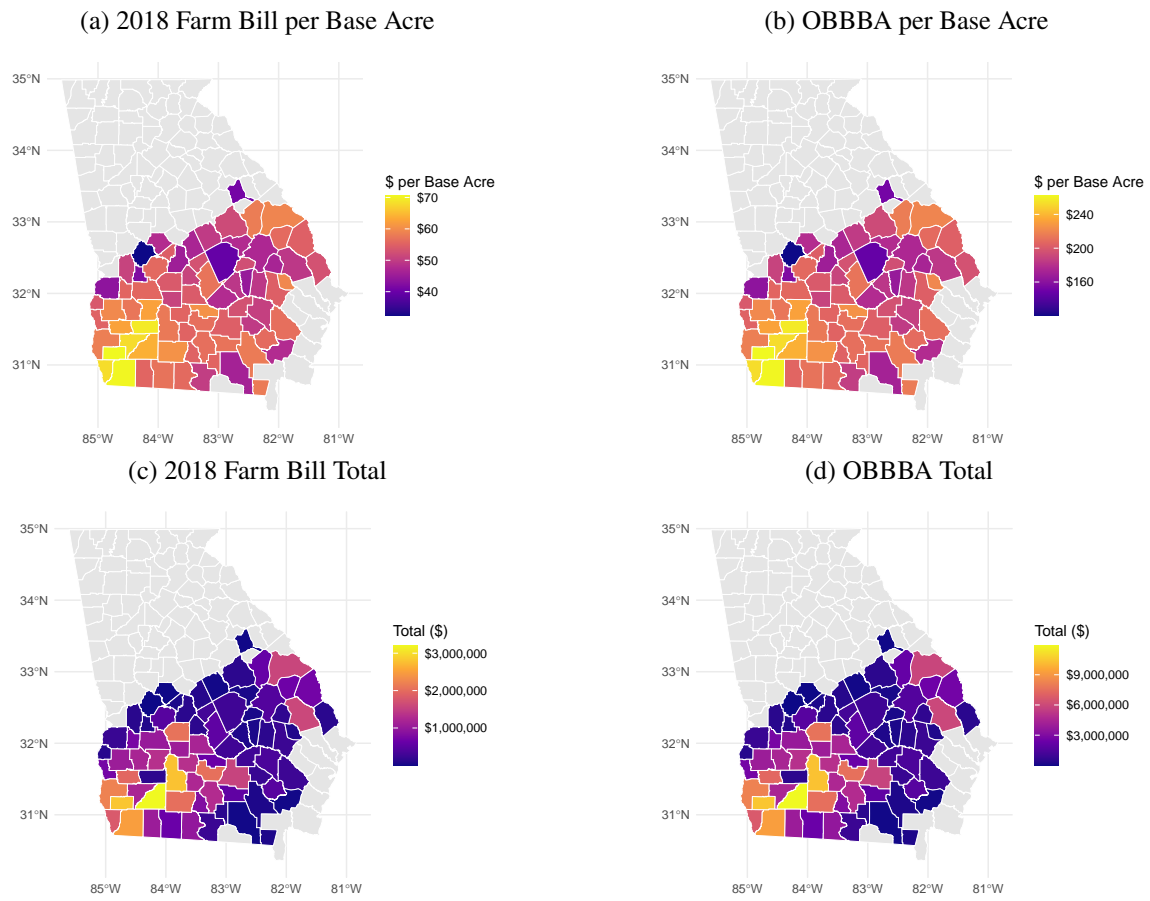


Figure 4: 2025 Corn Projected PLC Payments by County

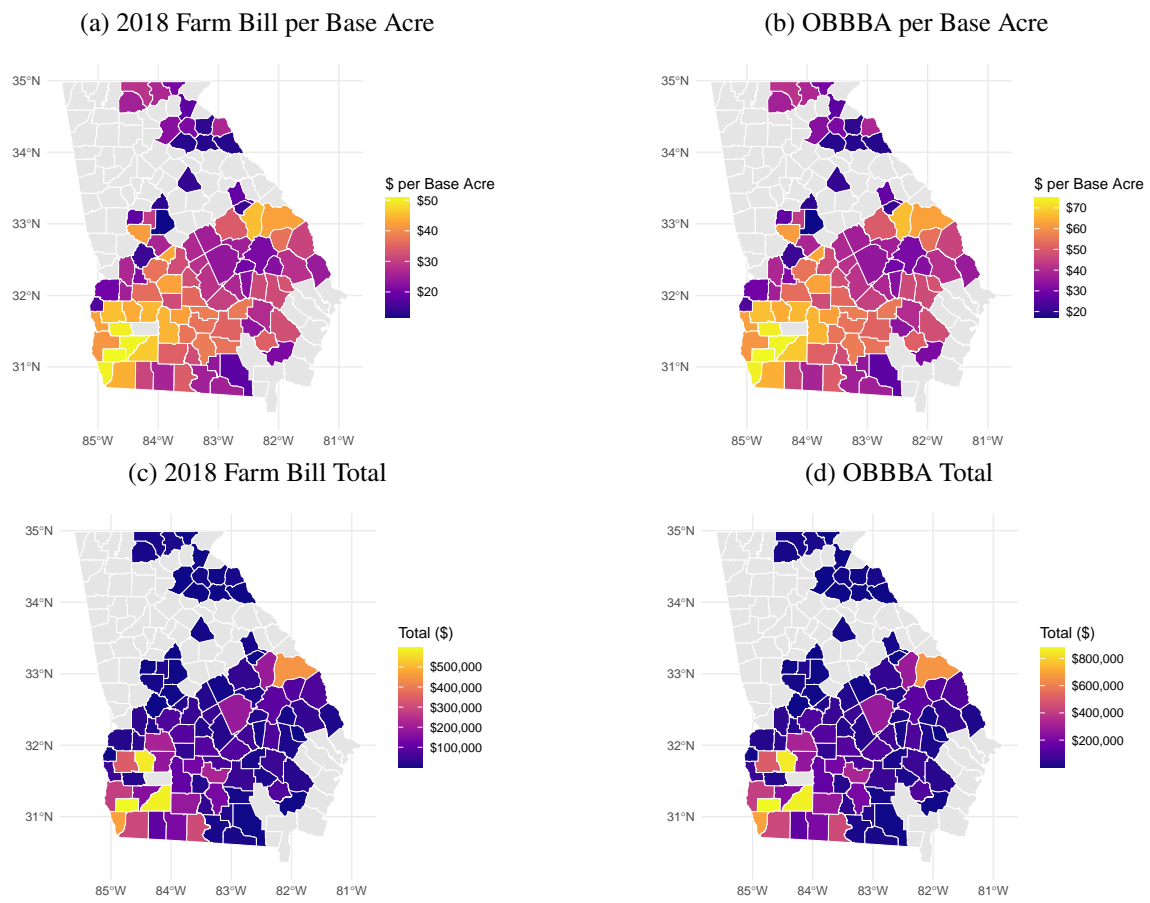


Figure 5: 2025 Wheat Projected PLC Payments by County

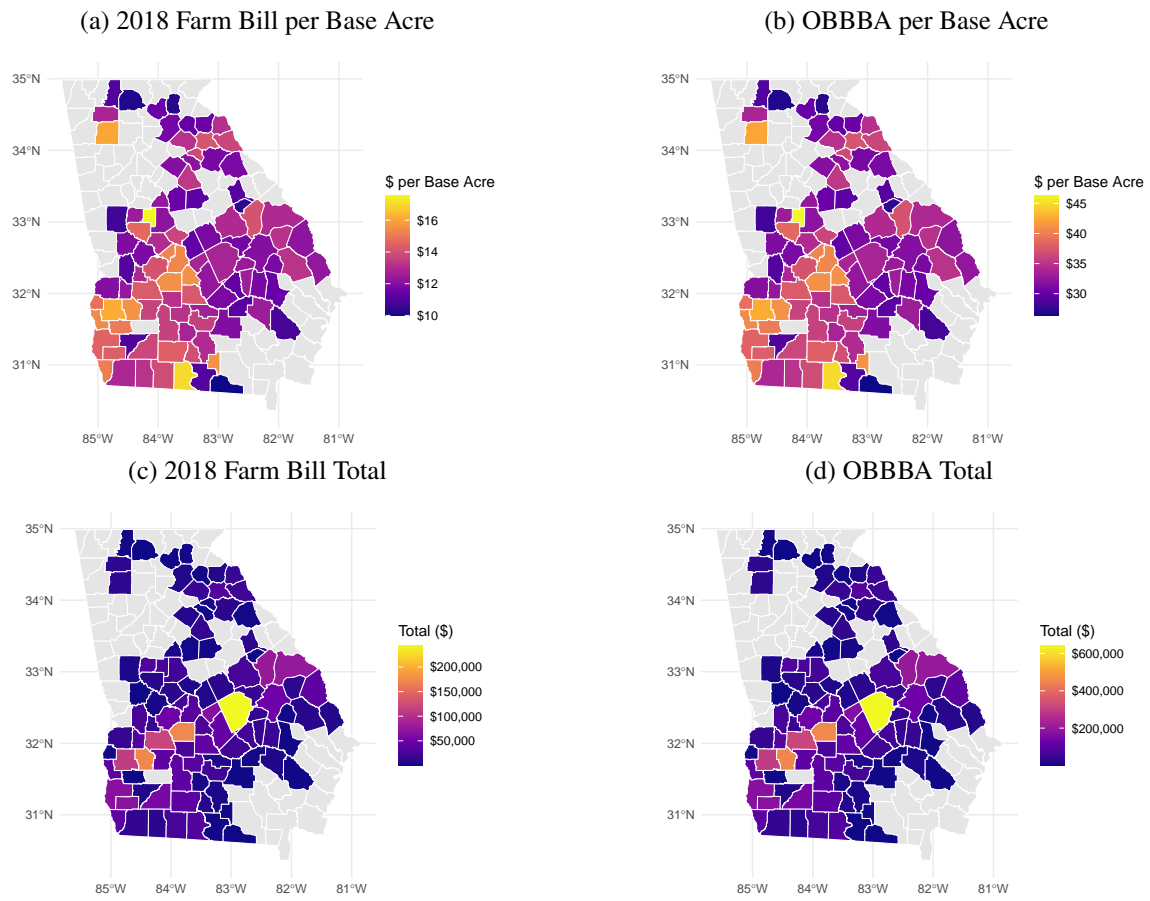


Figure 6: 2025 Soybean Projected PLC Payments by County

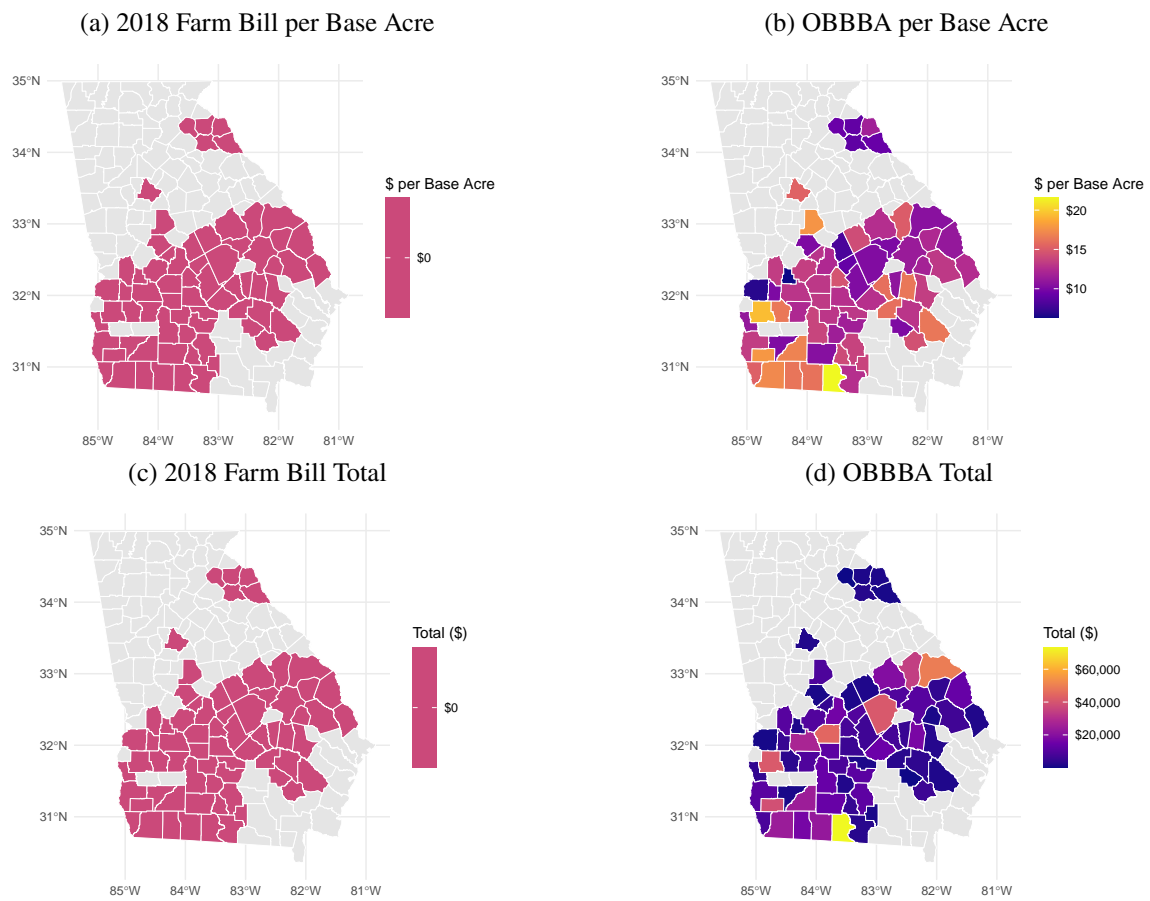


Figure 7: 2025 Corn Projected ARC-CO Payment Rates by County

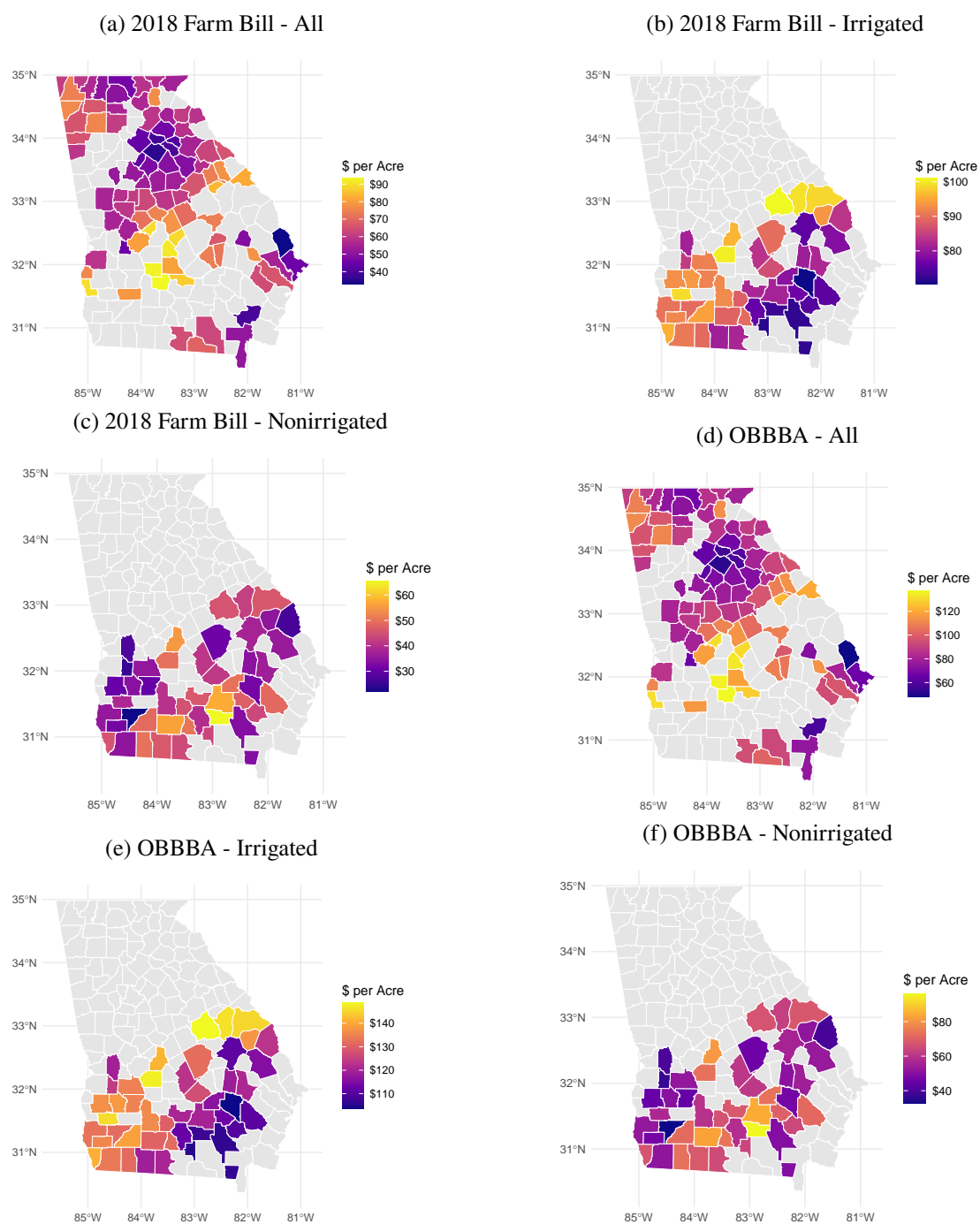


Figure 8: 2025 Soybean Projected ARC-CO Payment Rates by County

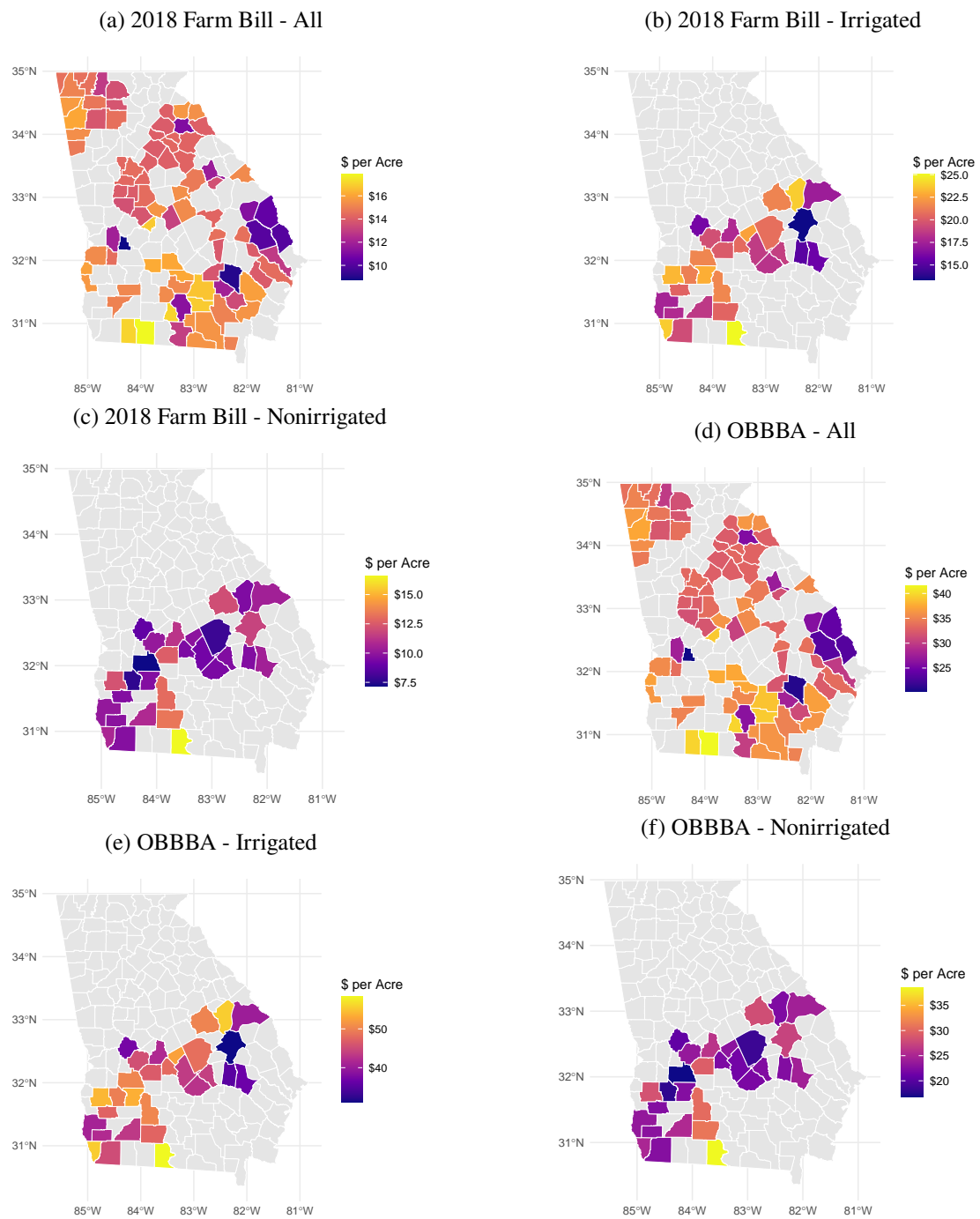
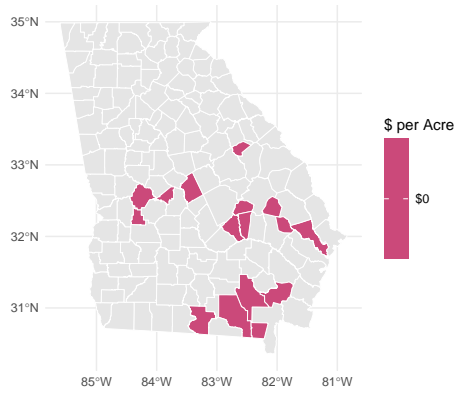
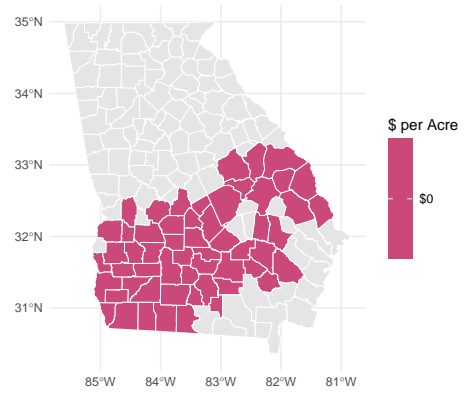


Figure 9: 2025 Peanuts Projected ARC-CO Payment Rates by County

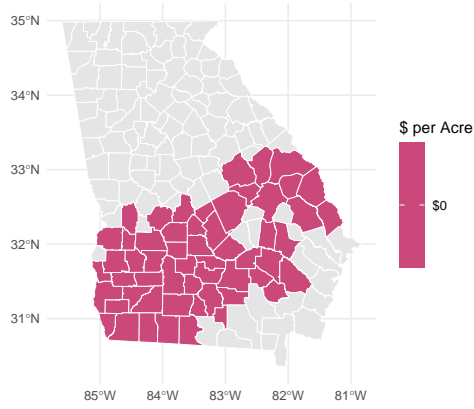
(a) 2018 Farm Bill - All



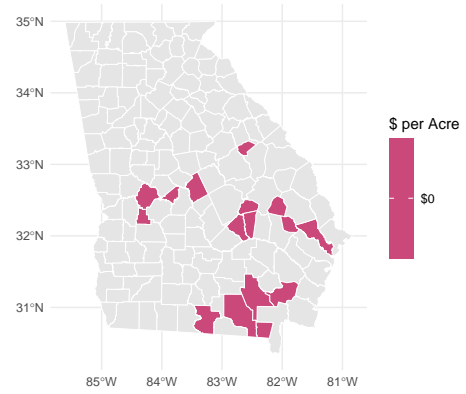
(b) 2018 Farm Bill - Irrigated



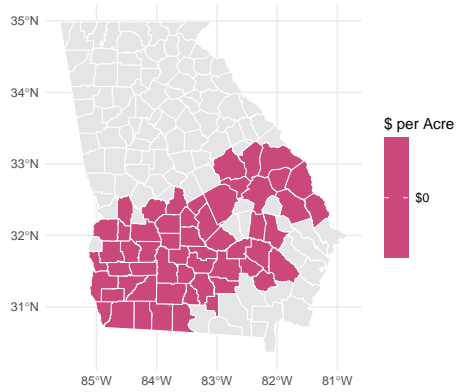
(c) 2018 Farm Bill - Nonirrigated



(d) OBBBA - All



(e) OBBBA - Irrigated



(f) OBBBA - Nonirrigated

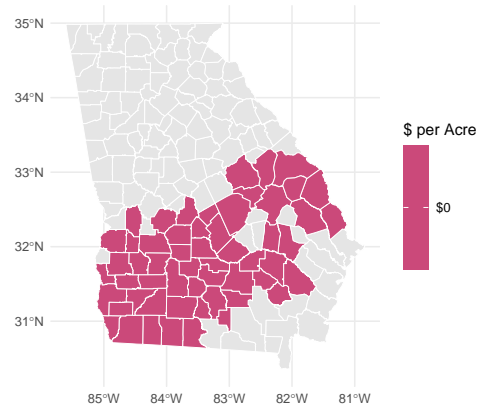


Figure 10: 2025 Wheat Projected ARC-CO Payment Rates by County

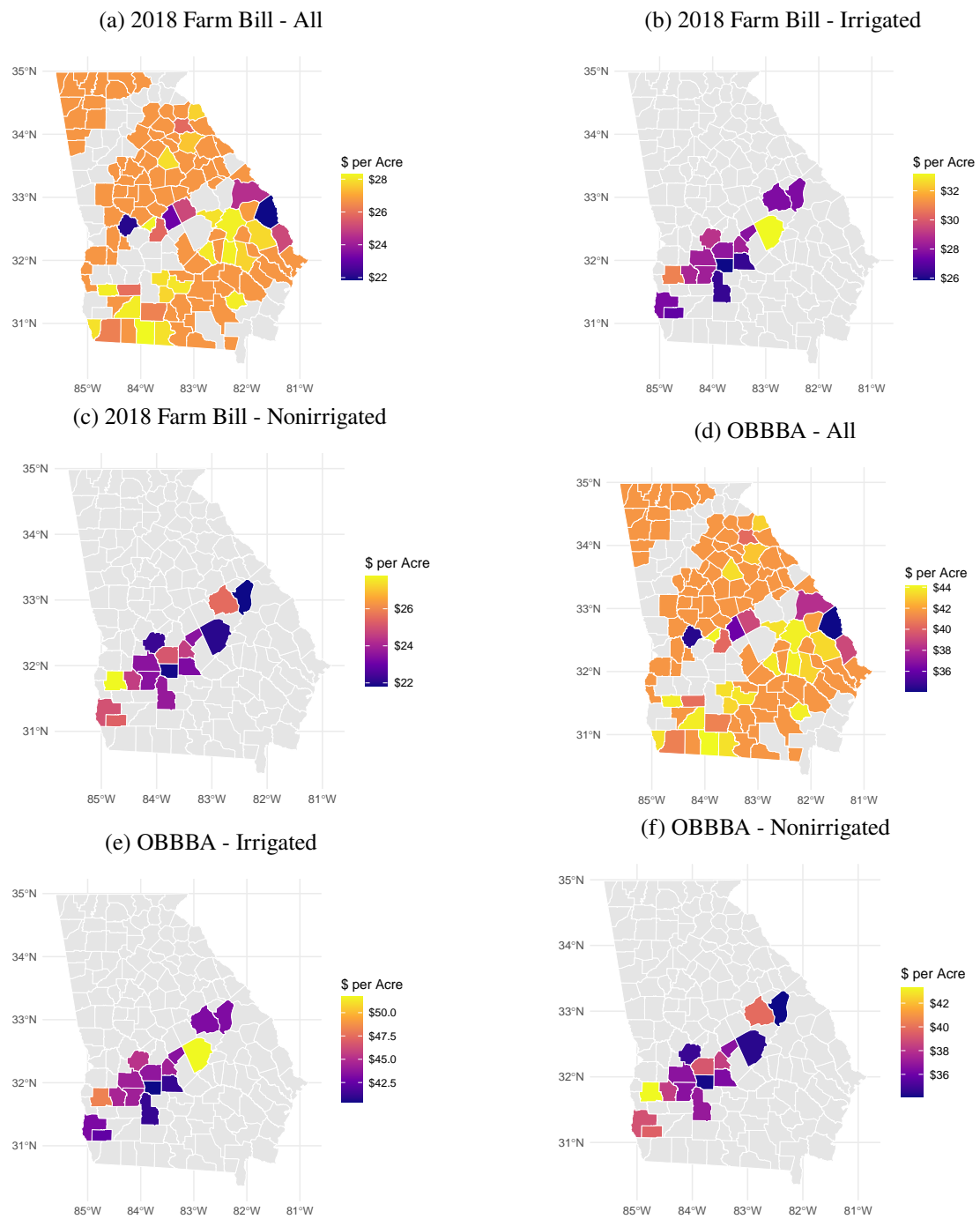


Figure 11: 2025 Cotton Projected ARC-CO Payment Rates by County

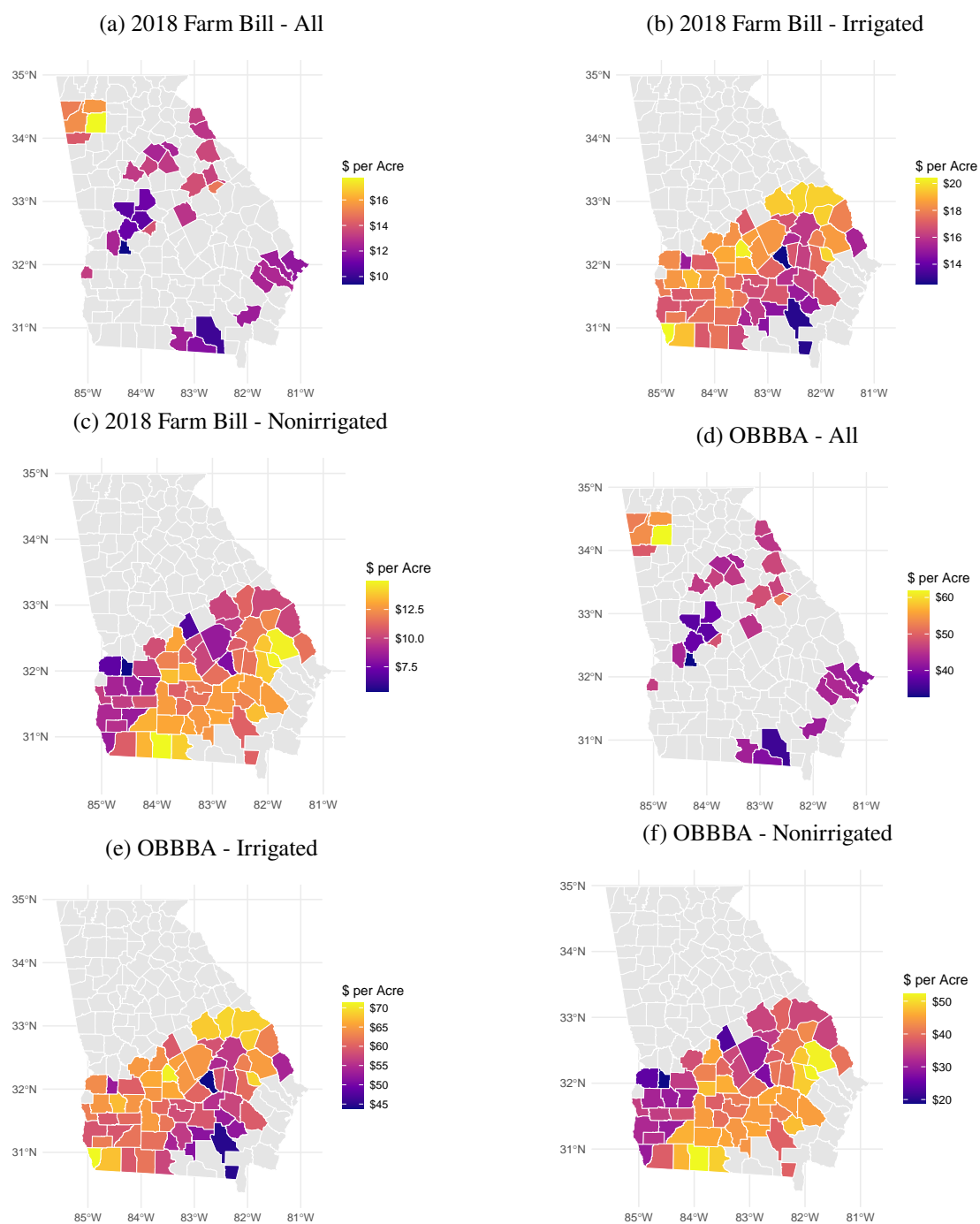


Figure 12: Fraction of Liability in Basic and Optional Units by Commodity

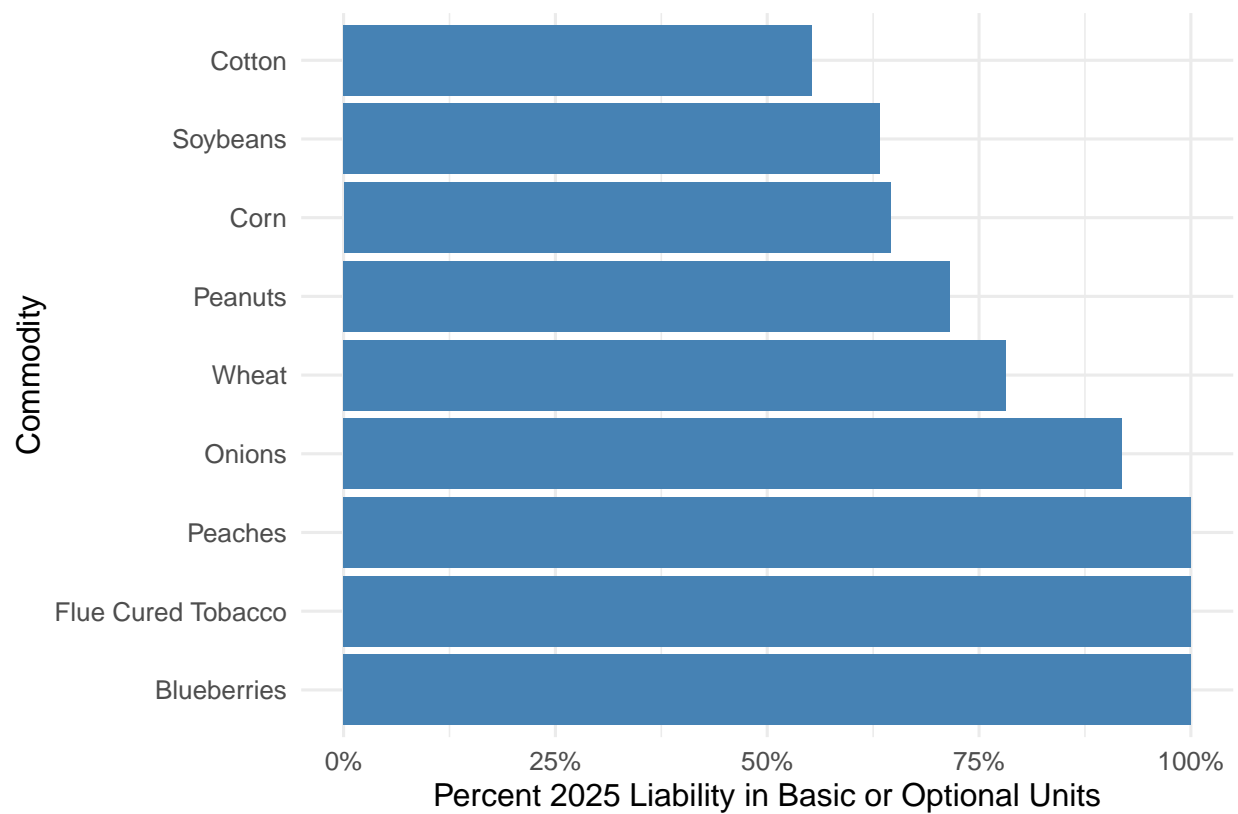
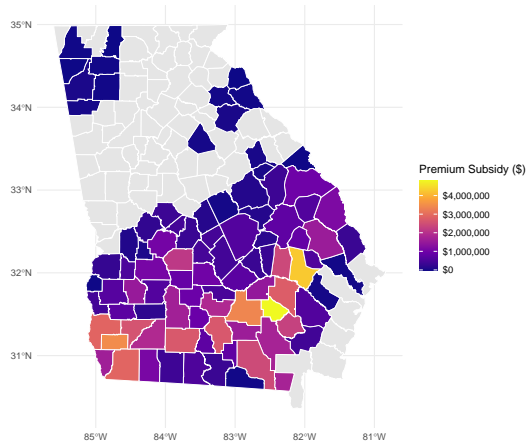
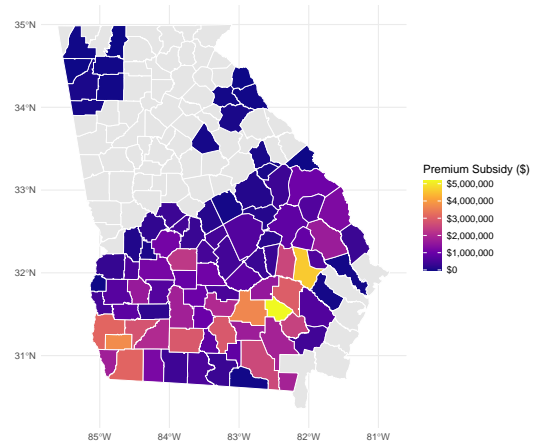


Figure 13: Projected Government-Paid Premiums by County

(a) 2018 Farm Bill



(b) OBBBA



(c) Difference in Government-Paid Premiums (OBBBA - 2018 Farm Bill)

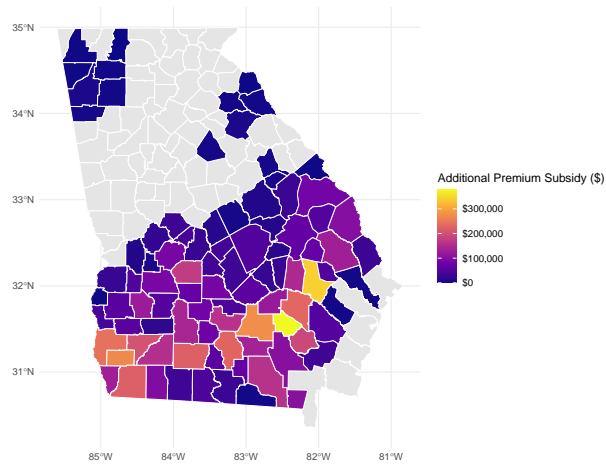
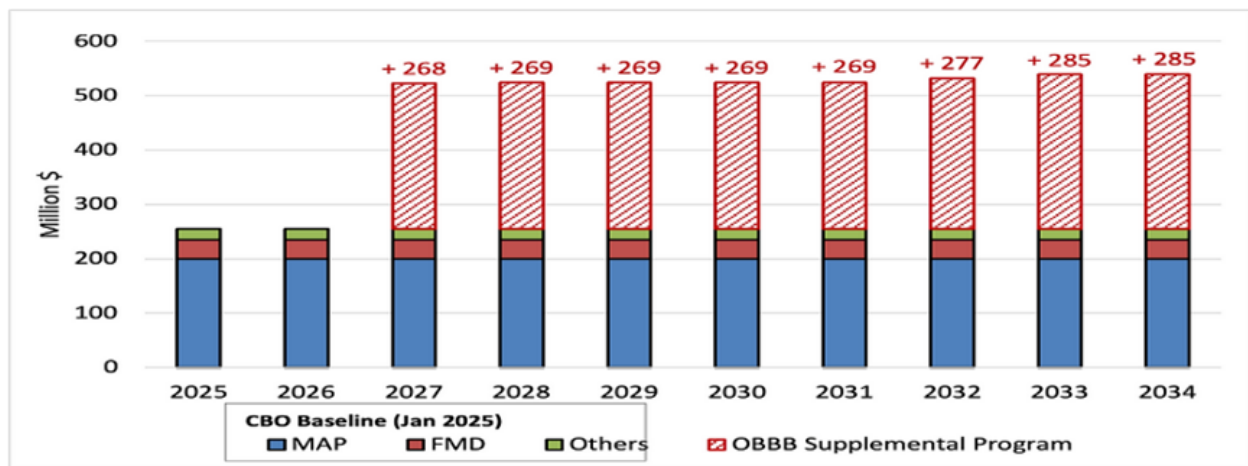


Figure 14: Annual Agricultural Trade Promotion Budget Estimate (FY2025–2034)



Source: <https://www.arpc-ndsu.com/post/one-big-beautiful-boost-in-u-s-agricultural-trade-promotion>

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Table 1: Statutory Reference Prices under 2018 Farm Bill vs. One Big Beautiful Bill Act

Commodity	Farm Bill Price	OBBBA Price	Unit	% Increase
Corn	3.70	4.10	bushel	10.81%
Soybean	8.40	10.00	bushel	19.05%
Wheat	5.50	6.35	bushel	15.45%
Cotton	0.37	0.42	pound	13.51%
Peanuts	535.00	630.00	ton	17.76%

Table 2: Projected 2025/2026 PLC Payment Rates and Payments Per Acre for Selected Commodities

Yield	2018 FB Rate	OBBBA Rate	2018 FB (\$/Base Acre)	OBBBA (\$/Base Acre)
Cotton				
1200	0.0281	0.0781	28.662	79.662
1400	0.0281	0.0781	33.439	92.939
1600	0.0281	0.0781	38.216	106.216
1800	0.0281	0.0781	42.993	119.493
2000	0.0281	0.0781	47.770	132.770
2200	0.0281	0.0781	52.547	146.047
Peanuts				
2500	0.0175	0.0650	37.1875	138.125
3000	0.0175	0.0650	44.6250	165.750
3500	0.0175	0.0650	52.0625	193.375
4000	0.0175	0.0650	59.5000	221.000
4500	0.0175	0.0650	66.9375	248.625
5000	0.0175	0.0650	74.3750	276.250
Corn				
40	0.3550	0.5230	12.070	17.782
80	0.3550	0.5230	24.140	35.564
120	0.3550	0.5230	36.210	53.346
160	0.3550	0.5230	48.280	71.128
200	0.3550	0.5230	60.350	88.910
Soybeans				
10	0.0000	0.6070	0.0000	5.1595
20	0.0000	0.6070	0.0000	10.3190
30	0.0000	0.6070	0.0000	15.4785
40	0.0000	0.6070	0.0000	20.6380
50	0.0000	0.6070	0.0000	25.7975
Wheat				
30	0.3980	1.0500	10.1490	26.7750
35	0.3980	1.0500	11.8405	31.2375
40	0.3980	1.0500	13.5320	35.7000

Table 3: Total Projected 2025 PLC Payments under the 2018 Farm Bill and OBBBA in Georgia

Crop	2018 Farm Bill Total (\$)	OBBBA Total (\$)
Cotton	33,042,490	91,836,956
Peanuts	54,712,342	203,217,269
Corn	7,517,436	11,083,453
Soybeans	0	795,854
Wheat	2,548,453	6,723,305
Sum =	97,820,721	313,656,837

Table 4: Coverage Levels and Premium Subsidy Rates for Optional and Basic Units

Coverage Levels	2018 Premium Subsidy Rate	OBBB Premium Subsidy Rate
55-64	65	69
65-74	59	64
75-79	55	60
80-84	48	51
>85	38	41

Table 5: Projected Total Premium Subsidies

2018 Premium Subsidy (\$)	OBBB Premium Subsidy (\$)	Difference (\$)
87,136,701	94,063,342	6,926,641

Table 6: Market Assistance Loan Rates

Commodity	2018 Farm Bill	OBBBA
Wheat	\$3.38 per bushel	\$3.72 per bushel
Corn	\$2.20 per bushel	\$2.42 per bushel
Upland Cotton	\$0.45-0.52 per pound	\$0.55 per pound
Soybeans	\$6.20 per bushel	\$6.82 per bushel
Peanuts	\$355.00 per ton	\$390.00 per ton

Appendix

County	Subs. Dif. (\$)
Appling	229038.83
Atkinson	134895.64
Bacon	378411.21
Baker	203002.64
Bartow	2140.70
Ben Hill	44917.46
Berrien	226619.24
Bleckley	37096.50
Brantley	34472.53
Brooks	45962.06
Bryan	2424.55
Bulloch	130201.40
Burke	83296.98
Calhoun	57388.16
Candler	71763.47
Chattooga	529.55
Clay	39253.39
Clinch	160254.90
Coffee	272624.46
Colquitt	220674.93
Cook	62177.88
Crawford	31424.15
Crisp	71862.22
Decatur	220035.55
Dodge	32876.21
Dooly	174190.02
Dougherty	19494.49
Early	241172.80
Echols	2021.40
Effingham	30811.80
Elbert	1782.55
Emanuel	68192.85
Evans	49136.22
Floyd	6604.55
Glascok	4591.85

County	Subs. Dif. (\$)
Gordon	1673.72
Grady	96454.91
Hart	0.00
Houston	26485.55
Irwin	160518.24
Jeff Davis	120749.58
Jefferson	29167.92
Jenkins	53990.90
Johnson	12733.93
Lanier	69116.43
Laurens	51877.58
Lee	53502.22
Long	2287.40
Lowndes	29803.53
Macon	87244.32
Madison	2731.20
Marion	9748.10
Miller	268144.36
Mitchell	155667.72
Montgomery	26196.96
Morgan	3620.80
Murray	110.30
Oglethorpe	5920.15
Peach	38822.60
Pierce	188669.34
Polk	4181.60
Pulaski	35608.36
Quitman	388.50
Randolph	57458.88
Richmond	802.25
Schley	6951.10
Screven	100552.50
Seminole	130315.56
Stewart	25171.35
Sumter	89082.64

County	Subs. Dif. (\$)
Tattnall	340284.12
Taylor	21722.99
Telfair	60644.09
Terrell	123851.58
Thomas	32341.08
Tift	79758.60
Toombs	147488.06
Treutlen	17030.40
Turner	82317.37
Twiggs	13303.45
Walker	1531.60
Ware	103562.55
Warren	4079.25
Washington	10364.03
Wayne	52780.16
Webster	47527.04
Wheeler	25498.33
Wilcox	85946.32
Wilkinson	3271.25
Worth	140609.39