

Title I Commodity Program Changes

► Changes to the Title I Commodity Programs for the 2025 crop year are expected to provide increased payments. This information was updated February 10, 2026.



Between July 1 and 3, 2025, the US Senate followed by the US House of Representatives passed H.R. 1, commonly referred to as the One Big Beautiful Bill Act (OBBBA), that was signed into law by President Donald Trump on July 4, 2025. Included in this legislation are modifications to the 2018 Farm Bill Title I Crop Commodity Programs, Price Loss Coverage (PLC), and Agriculture Risk Coverage (ARC). Most of the changes are effective with the 2026 crop year and continue through 2031; however, some changes were put in place for the 2025 crop year. This has led to questions about the changes and potential payments for 2025.

It is important to note that determining the actual 2025 crop year program payments requires data that are continuously updated through September 2026; thus, payments are not issued before October 2026. The estimates contained in this analysis are based on publicly available aggregate data and assumptions discussed below. Payments are also only for those with existing base acres. The new base acre allocation is not effective until the 2026 crop year.

New Reference Prices

An increase in the reference prices is effective with the 2025 crop year. Table 1 shows the 2018 Farm Bill reference prices and the OBBBA reference prices for selected covered commodities relevant to Alabama. Reference prices increased a minimum of 10.8 percent for corn to as much as 19 percent for soybeans. Peanuts increased 17.8 percent, while seed cotton increased 14.4 percent. Recall that seed cotton is a combination of cotton lint and cottonseed.

The OBBBA reference prices are effective for the 2025 to 2031 crop years. With the 2031 crop year, the reference prices will increase by one-half of one percent each year, not to exceed 113 percent of the 2025 reference price. The effective reference price has also changed, now calculated as 88 percent of the 5-year Olympic average (dropping the high and low prices) instead of the previous 85 percent. Corn and soybeans have an effective reference price for 2025 that is greater than the OBBBA reference price.

Table 1. Reference Prices for Selected Covered Commodities

Commodity	Unit	2018 Farm Bill Reference Price	OBBBA Reference Price	Percentage Change	2025 Effective Reference Price
Corn	bushel	\$3.70	\$4.10	10.8%	\$4.42
Peanuts	ton	\$535.00	\$630.00	17.8%	\$630.00
Seed Cotton ¹	pound	\$0.367	\$0.42	14.4%	\$0.42
Soybeans	bushel	\$8.40	\$10.00	19.0%	\$10.71
Wheat	bushel	\$5.50	\$6.35	15.5%	\$6.35

¹ weighted average of upland cotton and cottonseed prices

Agriculture Risk Coverage—County

Effective with the 2025 crop year, the Agriculture Risk Coverage—County (ARC-CO) revenue guarantee has been increased from 86 percent to 90 percent of the benchmark revenue. The maximum payment rate has also been increased from 10 percent to 12 percent of the benchmark revenue. The estimated payments presented here are calculated with an assumption that actual yield for 2025 is equal to the benchmark yield. Actual yields may be higher or lower, thus increasing or decreasing the potential ARC-CO payments.

Producer Election

Producers made their 2025 crop year election for PLC or ARC-CO in early 2025, before changes to the program were enacted. For the 2025 crop year, the producer election between PLC and ARC no longer matters. The legislation allows the USDA Secretary to make payments based on the higher of PLC payments and ARC payments. This is a farm-specific calculation that requires farm-specific data that are not publicly available. We use county-level aggregates to estimate payments, based on PLC and ARC-CO base acre allocations for 2025. Similar to the 2018 Farm Bill, payments are made on 85 percent of the enrolled base acres.

PLC Yield

It is expected that USDA calculations will be based on an actual farm's PLC yield when determining the PLC payment. The only publicly available data are PLC yields for those enrolled in PLC. Thus, we must assume in these estimates that all base acres are paid at the published county average PLC yield. While this yield is accurate for those who enrolled in PLC, it may be higher or lower than the PLC yield for those who enrolled in ARC-CO.

ARC-CO Irrigated and Non-Irrigated Acreage

Each county in the ARC-CO program has commodity acreage specified as either all acreage or a separate irrigated and non-irrigated acreage. It is expected that the USDA calculations will be based on either all acreage or the sum of payments on separate irrigated and non-irrigated acreage, as appropriate for the location of the farm. We use the county average Historical Irrigated Percentage (HIP) as defined in the 2018 Farm Bill as the percentage of irrigated acres planted and considered planted from 2013 to 2017.

Payment Limits

Payment limits have been increased in the OBBBA from \$125,000 to \$155,000, with annual adjustments for inflation beginning with the 2025 crop year. A separate payment limit for peanuts still exists, now also at \$155,000. The payment limit for a farm is multiplied by the number of qualifying individuals or entities. Furthermore, all pass-through entities are now treated the same, with each member having their own payment limit. Additionally, farmers with at least 75 percent of their Adjusted Gross Income (AGI) from farming are no longer subject to the \$900,000 AGI limit. These factors result in an overall increased potential for payments. No public data are available regarding the number of payment limits. Thus, payment limits may reduce the actual payments compared to the estimates presented here.

Marketing Year Average Price

The Marketing Year Average (MYA) Price for the 2025 crop year is not final until June 30, 2026 for wheat, August 31, 2026, for peanuts, and September 30, 2026, for corn, soybeans, and seed cotton. Monthly estimates are obtained from the USDA's Farm Service Agency based on those published in the World Agricultural Supply and Demand Estimates and Oil Crops Outlook reports. The estimates presented in this paper are based on MYA prices as of February 10, 2026.

Estimated Payments for 2025

The Title I commodity program payments to Alabama farmers for corn, peanuts, seed cotton, soybeans, and wheat are estimated for the 2025 crop year. Payments will be issued in October 2026. The following is a summary of assumptions used to produce these estimates. Farm level and final data may cause estimated payments to be higher or lower than those presented here.

Assumptions

- ARC-CO yields are equal to the benchmark yield.
- MYA prices are projected by the USDA as of February 10, 2026.
- PLC yields are equal to the county average.
- Payment limits are not considered.

Table 2. Estimated Commodity Payments for 2025 Crop Year Under 2018 Farm Bill and OBBBA

Commodity	Enrolled Base ¹	Estimated 2018 Farm Bill	Estimated OBBBA	Percentage Change
Corn	183,536	\$3,990,006	\$10,078,049	153%
Peanuts	303,464	\$22,938,849	\$62,597,436	173%
Seed Cotton	316,727	\$17,387,149	\$47,722,158	174%
Soybeans	126,061	\$933,347	\$3,370,982	261%
Wheat	123,200	\$3,205,366	\$6,234,038	94%

¹ Enrolled base is the total for ARC and PLC, used separately to estimate 2018 Farm Bill parameter payments and combined for OBBBA estimates. See the assumptions discussed in the text for context.

- The higher of PLC or ARC-CO payments are calculated at a county level based on county data.
- Payments are limited to 85 percent of the enrolled base acres.

We estimate county-level payments for the 2025 crop year and aggregate those to the state, as presented in table 2. Under the current assumptions, the estimated payments under OBBBA more than double in 2025 for many commodities. Peanut payments are estimated to be 173 percent higher under OBBBA compared to the previous legislation, while seed cotton is estimated to be three times what it would have been under the 2018 Farm Bill. While the enrolled base in Alabama is smaller for the other commodities, there are also significantly

higher estimated payments under OBBBA. The total estimated payments for Alabama farmers for these five commodities is \$130 million, compared to \$48.5 million under the 2018 Farm Bill.

For additional tables showing specific county estimates, send an email request to Adam Rabinowitz at adam.rabinowitz@auburn.edu.

Each table will show the total enrolled base acres and estimated payments under the 2018 Farm Bill and OBBBA. Additionally, we separately estimate payments under an additional assumption if OBBBA would be paid at the current MYA price for PLC only, i.e., no ARC-CO payments. This estimate is based on the current MYA price and PLC county yield for those who enrolled in PLC and is applied to 85 percent of the enrolled base acres. We include these estimates because they provide a lower limit to the estimated payments under OBBBA, as ARC-CO payments would only be triggered if they are higher than that payment amount.



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