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Is There a Future for the U.S. Farm Bill?

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Summary: *The U.S. Farm Bill, as we typically think of it, remains in limbo. Changes to major spending programs on commodities and SNAP were incorporated into the 2025 budget reconciliation act, while remaining programs were left to end-of-year extensions. The uncertainty about returning to a normal farm bill process, coupled with rapidly adjusting trade policies, makes government action a significant source of uncertainty for U.S. agriculture.*

Is there a future for the Farm Bill?

Thirty years ago, the “Freedom to Farm Act” (P.L. 104-127, formally identified as the Federal Agriculture Improvement and Reform Act, 1996) became law in the United States, marking a dramatic reform to “decouple” farm income supports from current prices and production. The “freedom” referenced in the bill’s popular name was an allusion to the new flexibility afforded to farmers to plant as they saw fit in response to market signals rather than having to adjust production plans to stay within restrictive federal program parameters, specifically base acres. The bill’s passage was touted as a first step to a smaller role for taxpayers in farm income support.

The modification to provide farm support payments on a fixed basis using only historical information that could not be affected by current decisions or conditions was a key element in making U.S. farm program spending compatible with the WTO’s Uruguay Round Agreement on Agriculture. The 1990s push to expand freer trade and restrict WTO member countries from protectionism in agriculture promised a sustained expansion for U.S. agriculture, with export markets leading the way. The ensuing 30 years of farm policy have strayed far from that era’s vision, with U.S. agriculture prospering in a global environment with minimal transfers from taxpayers.

Protectionism Plus Farm Policy Gridlock

We have discussed a number of interceding political drivers of farm policy in the past 30 years of the Farm Policy Outlook (e.g., deficit reduction, the ethanol boom, climate agreements, etc.), but none has been as dramatic as the U.S. political shift toward protectionism of the past decade. Following years of export expansion for U.S. commodity crops, the exposure of U.S. farm incomes to other countries’ retaliations is significant. The newly expanded tariffs since 2017 have led to reduced, and in some cases lost, market share for the U.S. Some of the largest transfers from taxpayers to farm producers have occurred during this era, packaged as emergency trade assistance (Emergency Commodity Assistance Program | Farm Service Agency, n.d.). The necessity of these most recent emergency payments (Outlaw et al., 2026) to agriculture is a direct result of inattention to agriculture in the setting of trade policy. The size of agriculture in the overall economy means that it is both a) easy to ignore in debate over the economy and b) relatively cheap to pay off in the event of adverse outcomes.

The primary setting for agriculture’s voice to be heard in federal policy has historically been the farm bill. In many ways, farm bills have been a tool to try to improve the “fit” for agriculture in broader economic policy. However, farm bills this century have been very difficult to pass (Keeney et al., 2025) in a timely manner, falling prey to proxy wars over the size of government, deficit spending, and the social safety net. The most recent farm bill proper was passed in 2018 and expired in 2023. Extensions for fiscal 2024 and 2025 kept programs in place under 2018 rules that were seen as sorely out of date, given the intervening global shocks (e.g., global pandemic, war in Ukraine, global supply chain issues) that have reset cost expectations in agriculture.

Ultimately, 2025 came and went without a new farm bill (Bohl, 2026) like the two preceding years. Unlike those two years, a number of farm bill spending and revenue programs, notably farm payments and SNAP benefits, were folded into a budget reconciliation bill (P.L. 119-121), aimed at extending 2017's tax cut package. The 2025 reconciliation act (referred to as the Big Beautiful Bill, or BBB) effectively updated program rules and extended authorization for commodity payments and low-income food assistance, with reductions in food assistance outlays effectively funding the expected increase in farm support payments.

The "reconciliation" process in Congress is a more limited process that requires only a simple majority in the Senate. Because of reconciliation rules, the process was not available for passing all farm bill provisions, leaving some programs orphaned and ultimately extended by end-of-year legislation to keep the government open. The need to use reconciliation rules to update farm programs in 2025 is the most obvious signal that agriculture and its key programs of the farm bill no longer enjoy immunity from the difficulties of unworkable partisanship (Bohl, 2026) that made it stand out from so many other areas of economic policy.

Outlook for Farm Policy in 2026

The failure to pass a farm bill under ordinary legislative procedures in the past three years is the clearest signal we have that we have a new normal for farm policy (Clayton, 2025). Some thirteen years ago, the Republican-led U.S. House of Representatives attempted to split nutrition and low-income assistance from farm programs (Greenstein, 2013), eliminating the bridge that had led to broad bipartisan support for farm bills. Even though that attempt to sever farm programs and food assistance was rebuffed, the size of nutrition spending in the total of the farm bill has loomed as a constant threat to the passage of farm bills.

The 2025 reconciliation bill shifted federal taxpayer dollars from nutrition to farm programs (Villa & Scott, 2025), a goal for SNAP critics that dated back to that 2013 rift in the farm bill process. Additional farm program funds were drawn from expanded farm conservation dollars that were enacted as part of 2021's Democrat reconciliation bill. That particular shifting of funds identifies the tenuousness of resorting to the reconciliation process to set economic policy and ultimately increases the policy uncertainty in the farm economy. Thus, despite the update to farm programs in 2025, there is little reason to believe that these changes could withstand the relatively marginal political shift that would change the balance of power in Washington, D.C.

Coupled with the policy uncertainty of frequent tariff actions and threats that are routinely adjusted without consideration for the impacts on agriculture, it is hard to imagine a historical era with greater policy uncertainty for U.S. agriculture. Passing a new farm bill in 2026's report does not appear to be a high priority (Heller, 2026), and the reconciliation action of 2025 will certainly limit the urgency to action (Dorenkamp, 2025). Moreover, the longer the farm bill process remains stalled and reliant on end-of-year extensions and the partisan reconciliation process, the less likely we are to have any coherent economic policy process that places the food and farm economy front and center (Neubert & Merrigan, 2026).

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