



FACT SHEET | Farmers First

THE ONE BIG BEAUTIFUL BILL PUTS AMERICAN FARMERS AND TAXPAYERS FIRST

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THE ONE, BIG, BEAUTIFUL BILL DELIVERS BOLD WINS FOR U.S. FARMERS, RANCHERS, RURAL COMMUNITIES, AND TAXPAYERS

INTRODUCTION

Consistent with recommendations in the America First Policy Institute's ([AFPI](#)) [Farmers First Agenda](#), the newly signed into law [One Big Beautiful Bill Act \(OBBB\)](#) delivers meaningful tax and agricultural policy wins to American farmers, ranchers, and rural communities. Additionally, the OBBB delivers unprecedented reforms to the U.S. Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program (SNAP, also known as food stamps), our Nation's largest taxpayer-funded nutrition assistance program. These are arguably the most significant programmatic reforms in this space since 1996.

Specifically, the OBBB delivers policy wins for U.S. farmers, ranchers, rural communities, and taxpayers **in three major ways**: provides tax cuts and financial certainty, and agricultural policy investments that stabilize the farm economy, and entitlement reforms to SNAP.

1. DELIVER TAX CUTS AND CERTAINTY TO AMERICAN AGRICULTURAL AND RURAL COMMUNITIES

Collectively, the tax policies included in the OBBB outlined below will provide U.S. farmers, ranchers, small businesses, and rural communities with the financial certainty and tools they need to restore lasting prosperity to rural America.

- ★ **Permanent Death Tax Relief.** The OBBB prevents the death tax from reverting to pre-Tax Cuts and Jobs Act of 2017 exemption levels, which would have negatively affected more than [2 million family-owned farms](#). It also permanently raises the death exemption level to **\$15 million** from \$14 million, avoiding a looming drop to a \$7 million exemption level in 2026, and is indexed for inflation, so that the exemption will grow and protect more farms over time. This provision helps preserve rural America by making it easier to pass family farms, ranches, and small businesses from one generation to the next.
- ★ **Permanent 100% Immediate Expensing.** The OBBB makes permanent **100%** immediate expensing. Farmers and ranchers would have been unable to deduct their many capital-intensive business investments immediately had this provision undergone phase-out and eventual expiration in 2026.
- ★ **Permanent Doubled Section 179 Small Business Expensing.** The OBBB permanently doubles the maximum amount of qualifying purchases to **\$2.5 million**. Section 179 allows businesses to deduct the full purchase price of qualifying new and used equipment purchased or financed during that tax year, now up to \$2.5 million. The House Committee on Ways & Means estimates the U.S. agricultural sector currently utilizes one-fifth of these deductions.
- ★ **Permanent 20% Qualified Business Income Deduction, 199A.** The OBBB makes permanent the 199A **20%** business income deduction. This allows farmers and ranchers to deduct 20% of their business income, allowing them to keep more of their hard-earned money. This provides a more level playing field with large corporations. For the nearly 98% of family farms that operate as sole proprietorships, partnerships, or S corporations, the USDA [estimates](#) this provision will be one of the most effective tax provisions for farm businesses.



- ★ **Permanently Lowers the Cost of Borrowing for Farmers.** The OBBB reduces the tax burden on interest income for certain loans secured by rural or agricultural real estate and, therefore, expands financing options for farmers and ranchers. Specifically, it allows for the exclusion of **25%** of interest received by a qualified lender on any qualified real estate loan.
- ★ **Encourages Farmland to Stay Farmland.** The OBBB further reduces tax burdens on farmers by allowing them to pay income tax on the sale of farmland to a qualified farmer in equal installments over four years.
- ★ **Drives Investment in Rural America.** The OBBB provides new incentives to drive **\$100 billion** in investments to rural and underserved communities through permanently extending Opportunity Zones (OZ). Further, the OBBB's OZ provisions create "rural qualified opportunity funds" (RQOF). Investments made into an RQOF will receive a **30%** step-up in basis when held for at least five years, where they defer taxes on 30% of initially deferred capital gains.

2. DELIVER HISTORIC INVESTMENTS TO AMERICAN AGRICULTURAL AND RURAL COMMUNITIES

The OBBB strengthens the farm safety net, protects our Nation from foreign animal disease, works to lower the agricultural trade deficit, and promotes U.S. specialty crops. Given that U.S. farmers and ranchers are long [overdue](#) for a new Farm Bill (the legislative vehicle that modernizes USDA programs), the OBBB's agriculture investments and reforms are paramount to stabilizing the farm economy. This is especially true in the wake of years 2021–2024, seeing [30 % higher input costs](#), and 2023–2024 seeing a drop in farm income by [more than \\$90 billion](#).

- ★ **Invests in the Farm Safety Net.** The OBBB makes **\$62 billion** in investments and reforms to Farm Bill Title I (Commodities) and Title XI (Crop Insurance) programs. Notably, beginning in crop year 2025, the bill increases reference prices between **10% and 20%** and enhances the Agricultural Risk Coverage program to help producers keep up with higher production costs over the past four years.
- ★ **Invests in Animal Disease Prevention.** The OBBB provides **\$233 million** in increased funds for fiscal years 2026–2030 for animal disease prevention, including to the National Animal Health Laboratory Network and the National Animal Disease Preparedness and Response Program. It also provides an **additional \$75 million** each fiscal year, starting from 2031, subject to certain parameters. Supporting programs like these are critical to ensuring an abundant U.S. food supply, especially in the wake of [Highly Pathogenic Avian Influenza](#) and [New World Screwworm](#).
- ★ **Aims to Lower the U.S. Agricultural Trade Deficit.** The OBBB invests \$285 million for fiscal year 2026 and each thereafter for USDA programming, expanding markets for U.S. agricultural products. This is of the utmost importance, given that the U.S. agricultural trade deficit climbed to [record levels](#) in 2024, in the face of the past 50 years seeing agricultural trade surpluses.
- ★ **Invests in Specialty Crops.** The OBBB increases mandatory annual funding for the USDA Specialty Crop Research Initiative and Specialty Crop Block Grants, from \$80 million to \$175 million and from \$85 million to \$100 million, respectively. Specialty crop producers play an [important role](#) in the "Make America Healthy Again" agenda, but unfortunately have seen seasonal challenges, disease, and labor issues in recent years. Investing in specialty crops provides much-needed certainty for growers to innovate and grow healthier and more nutritious foods.



3. REFORMS TO SNAP TO SAVE TAXPAYER MONEY

The OBBB provides significant reforms to SNAP, our Nation's largest nutrition assistance program. Estimates indicate reforms amount to [\\$186 billion in savings](#) between 2025 and 2034. With the number of available jobs expanding across the country, the OBBB's specific work requirement reforms will restore the dignity of work, reduce government dependency, and harness overreach and administrative program costs.

SNAP enrollment and costs have rapidly expanded, while SNAP's "supplemental" purpose has turned into long-term dependency. Program integrity and accountability now wane. Since 2019, SNAP costs have [skyrocketed](#) 83%, from \$60 billion to \$110 billion annually, while enrollment has grown by 17% from 36 million to 42 million. States, which administer the program, have permitted more than \$10 billion in erroneous overpayments, resulting in a fiscal year 2024 national error rate of [11%](#). Further, only [28%](#) of those qualified to work do work or attend education or training to meet SNAP work requirements.

Collectively, the OBBB's reforms to taxpayer-funded SNAP, as outlined below, are critical for getting program recipients working and restoring the integrity and accountability of the program, as recommended in AFPI's 2025 [Driving Responsible Nutrition Policy Brief](#).

OBBB SNAP Reform Highlights

- ★ **Strengthens Work Requirement for Able-Bodied Adults.** The OBBB raises the age limit for able-bodied adults without dependents from 54 to 64. It requires parents or guardians of children 14 or older to work, with exemptions for certain Native American communities. Notably, pregnant women, disabled individuals, individuals taking care of a disabled child or the elderly, individuals enrolled in school part-time, and individuals participating in drug or alcohol rehabilitation programs maintain exemptions from work requirements.
- ★ **Tightens Eligibility for Work Requirement Waivers.** The OBBB narrows states' abilities to waive work requirements, which, [until recently](#), have been abused by states for many years, to areas with unemployment rates above 10%.
- ★ **Ends the Low-Income Home Energy Assistance Program Utility Loophole.** The OBBB eliminates a decades-old eligibility and benefit loophole, enabling nominal payments of \$20 or more from the Low-Income Home Energy Assistance Program and energy assistance programs to automatically trigger the standard utility allowance in determining a household's SNAP benefit amount.
- ★ **Enacts State Matching Funds Requirements.** The OBBB Aligns SNAP with other entitlement programs by requiring states with high SNAP payment error rates (above 6%) to start shouldering benefit costs beginning in fiscal year 2028. Currently, SNAP benefits are 100% federally funded aside from state administrative costs (see below).
- ★ **Shares Costs with States.** The OBBB decreases the federal government's share of the cost of administering SNAP from **50% to 25%** beginning in fiscal year 2027. Such administrative costs have skyrocketed since COVID-19, alongside the increase in SNAP participation as a result of previous legislative and administrative policies. This incentivizes states with high enrollment to ensure program participants are eligible to receive benefits.
- ★ **Ends Wasteful and Duplicative Programming.** The OBBB terminates **more than \$500 million** in annual funding for the National Education and Obesity Prevention Grant program following fiscal year 2025. This program has not promoted [meaningful change](#) for SNAP participants.
- ★ **Restricts Alien SNAP Eligibility.** The OBBB requires that an individual must be a U.S. citizen, national, or lawful permanent resident—with few exceptions—to qualify for SNAP eligibility. This will ensure benefits are preserved for lawful citizens and residents in need of temporary food assistance.



- ★ **Restricts Overreaching Future Thrifty Food Plan Updates.** The OBBB terminates executive overreach by requiring future updates to the Thrifty Food Plan (TFP) to be cost-neutral. The OBBB also maintains the annual TFP adjustments for inflation.

CONCLUSION

Consistent with the pillars of AFPI's Farmers First Agenda, the OBBB drives rural prosperity, right-sizes and reorients government, and generates responsible nutrition policy. Not only does the new law address soon-to-expire tax cuts and provide long-term and often permanent tax certainty to rural America, but it also provides overdue reforms and investments in USDA policy absent a new farm bill. In fact, estimates show the [OBBB cuts taxes for farmers by more than \\$10 billion](#). Finally, it provides historic programmatic reforms, particularly with respect to work requirements, within SNAP.

