MGR-25-006: One Big Beautiful Bill Act Amendment

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Date

August 20, 2025

To

All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

From

Patricia Swanson, Administrator /s/ Patricia Swanson

Subject

One Big Beautiful Bill Act Amendment

BACKGROUND:

The One Big Beautiful Bill Act (OBBBA), enacted on July 4, 2025, made changes to the Federal Crop Insurance Act. These changes include expanding benefits for beginning farmers and ranchers, increasing coverage options, and making crop insurance more affordable. With this bulletin, the Risk Management Agency (RMA) is implementing sections 10303(b) (Area Risk Coverage and Supplemental Coverage Option Interaction), 10501 (Beginning Farmer and Rancher Benefit), 10502 (Area Based Crop Insurance Coverage and Affordability), and 10504 (Premium Support) of the OBBBA. These changes are effective for all policies with a sales closing date (SCD) on or after July 1, 2025.

RMA will provide separate guidance on implementation of other changes based on the legislation.

ACTION:

RMA will incorporate policy revisions at the next applicable contract change date for all crops. For those crops that the contract change date has passed, and the SCD is on or after July 1, 2025, RMA is issuing the One Big Beautiful Amendment, 25-OBBA, (attached).

Approved Insurance Providers are required to distribute the 25-OBBA to all affected insureds within 30 days after issuance of this bulletin or 30 days prior to the cancellation date, whichever is later, until the provisions are incorporated into the policy.

The changes include:

A. Beginning Farmer or Rancher (BFR) Benefit

Changing the definition of BFR to allow an individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years to qualify. In addition to receiving the current BFR benefits (including the additional 10 percent premium subsidy rate) for up to 10 crop years, BFRs will receive an additional 5 percent premium subsidy rate for the first two crop years, an additional 3 percent premium subsidy rate the third year, and an additional 1 percent premium subsidy rate the fourth year.

Any individual whose BFR eligibility status has changed due to this legislation may submit a new or amended BFR application on or before November 30, 2025, for BFR benefits to apply for 2026 crop year policies with a SCD on or after July 1, 2025, and on or before November 30, 2025, including any livestock endorsements purchased on or before November 30, 2025. For policies with an SCD after November 30, 2025, producers should submit their BFR application by the applicable SCD.

Note: The OBBBA did not update either the definition of or the benefits associated with being a Veteran farmer or rancher (VFR). If a producer qualifies as both a BFR and a VFR, the higher benefit will apply.

B. Area Based Crop Insurance Coverage and Affordability and Area Risk Coverage and Supplemental Coverage Option Interaction

(1) WFRP - The Whole-Farm Revenue Protection (WFRP) policy will increase the maximum insurable coverage level from 85 to 90 percent. The 90 percent coverage

level will have the same premium subsidy rates as the 85 percent coverage level.

(2) SCO, ECO, MCO, HIP-WI, FIP-SI - The premium subsidy rate for the Supplemental Coverage Option (SCO) has increased from 65 to 80 percent. This increase will also be applied to similar coverages to SCO. These are the Enhanced Coverage Option (ECO), the Margin Coverage Option (MCO), the Hurricane Insurance Protection Wind Index (HIP-WI), and the Fire Insurance Protection Smoke Index (FIP-SI).

Note: RMA will update the SCO policy for the 2027 crop year to increase the maximum coverage level from 86 to 90 percent. For the 2026 CY, insureds can cover this band of insurance with ECO and will receive the same 80 percent premium subsidy on their ECO coverage that is now offered for SCO. This will functionally allow producers to access SCO coverage up to the 90 percent level for the 2026 crop year.

(3) Additional SCO Changes: Insureds can now purchase the SCO regardless of their Area Risk Coverage (ARC) elections with the Farm Service Agency. Insureds will no longer need to report acreage for their SCO policy under which ARC is elected.

C. Premium Support

The table below shows the updated premium subsidy rates for different insurance coverage and unit elections for policies that use the Common Crop Insurance Policy, Basic Provisions (CCIP).

Premium Subsidy Rates by Coverage Level

	50%	**55%**	**60%**	**65%**	**70%**	**75%**	**80%**	**85%**
Optional Unit	67%	69%	69%	64%	64%	60%	51%	41%
Basic Unit	67%	69%	69%	64%	64%	60%	51%	41%
Enterprise Unit	80%	80%	80%	80%	80%	80%	71%	56%

Note: WFRP premium subsidy rates will be updated so they are commensurate with similar levels of coverage under the CCIP.

DISPOSAL DATE:
December 31, 2025

Attachment: One Big Beautiful Amendment