

1.) Heading Support For Small Farms Act

- Bill Number: H.B. No. 12345
- Author/Sponsor: John Fay
- Session 119th Congress, 2025-2027

2.) Title (Caption)

- An Act relating to financial, structural, and programmatic support for small farms and the equitable distribution of agricultural resources

3.) Enacting Clause

- **BE IT ENACTED BY THE LEGISLATURE OF THE UNITED STATES OF AMERICA:**

4.) Body of the Bill (Sections)

- Section 1: Short title: This act may be cited as the “Support For Small Farms Act”
- Section 2: Purpose/ Findings: The purpose of this act is to promote fair competition, strengthen rural economies, and improve equitable access to federal agricultural programs for small farms
- Section 3: Definitions: Definitions of key terms to avoid ambiguity
 - Small Farm: An agricultural operation with a gross cash farm income of less than \$350,000 annually
 - Large Farm: An agricultural operation with a gross cash farm income of \$1,000,000 or more annually and operating extensive acreage or advanced large-scale production systems
- Section 4: Substantive Provisions: The core changes, actions, or new rules proposed
 - The Secretary of Agriculture shall prioritize small farms in the allocation of funds, grants, and program benefits authorized under Titles I (Commodities), II (Conservation), III (Trade), V (Credit), VI (Rural Development), X (Horticulture), and XII (Miscellaneous) of the Farm Bill
 - A reasonable percentage of funds within applicable USDA programs shall be reserved for farms meeting the definition of small farms to improve equitable access without eliminating eligibility for larger farms
 - The Secretary may establish payment limitations or benefit adjustments to prevent disproportionate concentration of program benefits among large agricultural operations while preserving agricultural market stability
 - USDA lending, loan guarantee, and risk management programs shall be modified to reduce administrative barriers for small farms and reflect the needs of diversified and speciality crop producers
 - The secretary shall expand technical assistance, outreach, mental health services, and simplified application procedures to increase small farm

- participation
 - The USDA shall submit an annual report to Congress detailing the distribution of program funds by farm size, measurable impacts on farm viability and participation rates across USDA programs, competitiveness, and changes in overall food pricing since enactment
- Section 5: Enforcement/Administration: The United States Department of Agriculture shall be responsible for implementing this Act and issuing necessary rules and regulations
- Section 6: Penalties
 - The USDA shall enforce compliance and may issue regulations necessary to carry out enforcement actions
 - Any person, organization, or farm found in violation of this Act (including fraud or misrepresentation of farm size) shall be subjected to proportional penalties, including:
 - Repayment of improperly received funds
 - Civil fines
 - Temporary disqualification from program eligibility

5.) Analysis of Research

- Key themes:
 - Decline of small farms
 - Concentration of subsidies among large corporations
 - Structural barriers to capital and insurance
 - Market consolidation
- Evidence Supporting the Bill:
 - The Environmental Working Group (EWG) reports that small farms experienced the greatest losses between 2017 and 2022, while large farms increased both in number and net cash income
 - The USDA National Agricultural Statistics Service reports that family-owned farms account for 95% of U.S. farms but represent a significantly smaller share of total production value
 - Farm Aid reports that family farms contributed 64% of all new jobs nationwide in the past 15 years
- Stakeholders Affected:
 - Small and mid-sized farms
 - Large agricultural producers
 - Rural communities
 - Consumers
 - Agricultural lenders and insurers
- Gaps in Current Law

- The Agriculture Improvement Act of 2018 structures commodity payments (including PLC and ARC programs) in ways that often reward scale of production rather than need or diversification
- Subsidies tied to acreage and specific commodity production favor large monocrop operations. Risk management programs are not well adapted to diversified farms
- Data To Justify Approach
 - In 2024, USDA announced \$26 million available through that year's Local Agriculture Market Program (LAMP). These grants expanded local and regional food systems and helped increase market opportunity for small farms, expand sales and distribution channels, and connect food hubs with dozens of small farm producers. This data shows that government incentives and programs can lead to an increase in revenue for small farm producers
- Background
 - The Farm Bill serves as the legislative framework for agricultural support, conservation, rural development, and nutrition policy. Historically, it has relied on bipartisan engagement. This bill works within that framework to rebalance, rather than replace, current systems

6.) Bipartisan Appeal

- Shared Values
 - Fair competition
 - Rural economic growth
 - Food security
 - Strong local communities
- Conservative Priorities Addressed
 - Promote free-market competition by correcting distortions
 - Strengthens rural economies
 - Redirects existing funds rather than increasing spending
 - Prioritizes domestic food production
- Progressive Priorities Addressed
 - Expands equitable access to federal programs
 - Improves food affordability
 - Reduces structural inequalities
 - Expands mental health and disaster support
- Cost Efficiency: The act does not increase total USDA spending but reallocates existing resources under the Farm Bill framework
- Community and Economic Justification: Small farms help maintain land ownership, circulate profits locally, support rural employment, decrease prices

for food, increase diverse food options, and enhance food system resilience against supply disruptions

7.) Procedural/Administrative Provisions

- Severability Clause: If any provision of this Act is found unconstitutional, the remaining provisions shall remain in effect
- Effective Date: This Act shall take effect on May 1, 2026
- Repealer Clause: The following provisions of the Agriculture Improvement Act of 2018 are repealed or amended to the extent of inconsistency:
 - Provisions governing Price Loss Coverage (PLC) resulting in disproportionate scale-based benefit distribution
 - Provisions governing Agriculture Risk Coverage (ARC) producing unequal structural payment outcomes
 - Payment limitation provisions permitting excessive concentration of benefits
 - Any other provisions of federal agricultural law inconsistent with the purposes and reforms established under this act

8.) Summary

- This bill aims to level the playing field for small farms by shifting federal agricultural support away from systems that favor large farms and toward targeted, practical support for independent and family-owned farms. The bill expands access to loans, disaster relief, technology programs, subsidies, and mental health resources to help small farms better withstand economic disruptions, climate-related production loss, and rising input costs. By helping small farms remain competitive, the bill seeks to strengthen local food systems, support rural employment, lower food prices, and promote community growth, while improving long-term resilience and fairness in the agricultural market.

9.) Works Cited (MLA Format)

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