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U.S. DEPARTMENT OF AGRICULTURE



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August 2026

Market and Farm Policy Outlook: **Wheat Backgrounder**

Erik Dohlman, Matthew Miller, Katherine Baldwin, Brian Williams,
Andrew Sowell, Adam Gerval, Francis Tsiboe, Dylan Turner



Market & Farm Policy

BACKGROUNDER

WHEAT



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Abstract

In the United States, wheat ranks third in planted acreage, production, and cash receipts among field crops, following corn and soybeans. U.S. wheat planted acreage and production have declined since the early 1980s due to several factors, including declining U.S. domestic per capita wheat consumption, greater competition to U.S. exports, and stronger relative profitability for planting alternative crops such as corn and soybeans. Despite this reduction, the U.S. remains a major global wheat producer and exporter. U.S. wheat producers can utilize a variety of risk management policy tools for their operations, which are largely authorized in Title I and Title XI of U.S. Farm Bills. Specifically, Farm Bill Title I includes programs like Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC), which provide direct government payments in times of low prices or revenues. Marketing assistance loans (MALs) support producers with working capital and potential government payments. Title XI focuses on changes to crop insurance, which protects against yield or revenue declines, and through which producers benefit from subsidized premiums. With crop prices on a downward trend in recent years, there has been a renewed focus on existing programs and discussions on potential changes to policy design or parameters for these programs. The 2025 One Big Beautiful Bill Act (OBBBA; Pub. L. 119-21) included provisions increasing commodity support levels through PLC, ARC, MALs, and crop insurance subsidies and coverage levels, as well as increasing base acres up to a certain limit, and reauthorized these Farm Bill programs through 2031. This report outlines U.S. wheat market developments, highlights legislative programs (Titles I and XI) from the 2018 Farm Bill and subsequent updates contained in OBBBA, and reviews trends in Government payments to wheat producers.

Keywords: wheat, trade, policy, risk management, Farm Bill

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About the Authors

Erik Dohlman, Matthew Miller, Katherine Baldwin, Brian Williams, Andrew Sowell, and Adam Gerval are economists in the USDA, ERS, Market and Trade Economics Division. The authors work on farm policy issues, commodity analysis, and on USDA's long-term (10 year) "Baseline" projections. Francis Tsiboe and Dylan Turner are former USDA, ERS research economists.

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Market and Farm Policy Outlook: Wheat Backgrounder

Introduction

In the United States, wheat ranks third in planted acreage, production, and cash receipts among field crops, following corn and soybeans. The market situation for U.S. wheat producers has been characterized by declining acreage since the early 1980s. This decline is the result of a confluence of factors, including declining domestic per capita consumption of wheat-based products and increased acreage devoted to corn and soybeans, which offered higher returns and had better yield growth. Despite this decline in acreage and production, the United States remains an important wheat exporter, although its share of the global export market has fallen as other competitors increased their output and exports (USDA, Foreign Agricultural Service, 2025). The *USDA Agricultural Projections to 2035* (also known as the “baseline projections”) anticipate a continued slight decline in planted acreage but a modest rebound in exports from recent low levels (USDA, Office of the Chief Economist, 2026).

The policy environment for wheat producers has also evolved with changes to recent farm legislation. With crop prices on a downward trend in recent years, Congress ultimately made changes to provisions contained in the 2018 Farm Bill (Pub. L. 115-334) with language from the One Big Beautiful Bill Act (OBBBA; Pub. L. 119-21), signed into law in July 2025. These provisions provide risk management tools to current wheat producers and those with a historical record of production (“base” acres) through Commodity Programs (Title I) and Crop Insurance (Title XI).¹

Title I offers potential government payments to eligible farmers through price and revenue protection programs such as Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC), as well as through Marketing assistance loans (MAL). Title XI covers crop insurance programs that subsidize premiums for policies protecting against yield and/or revenue declines on planted or prevented planted acres.²

This report provides an overview of market developments for U.S. wheat and describes key programs (Title I and Title XI) authorized in the 2018 Farm Bill intended to mitigate financial risk to farmers and describes the changes to these programs authorized in OBBBA. It also offers stakeholders perspectives on general trends in the U.S. wheat market, descriptions of the main risk management programs, and the extent to which wheat producers have received or are projected to receive payments from these programs.

¹ Base acres refer to a farm’s historical planted acres for a specific commodity and are used primarily for administering USDA, Farm Service Agency’s Agriculture Risk Coverage (ARC)/Price Loss Coverage (PLC) programs. Base acres do not necessarily represent a farm’s current planted acreage. Further, the number of base acres is mostly static and does not change based on new plantings. Thus, additional base acres may only be obtained by acquiring land with existing base acres or a policy driven update to base acres.

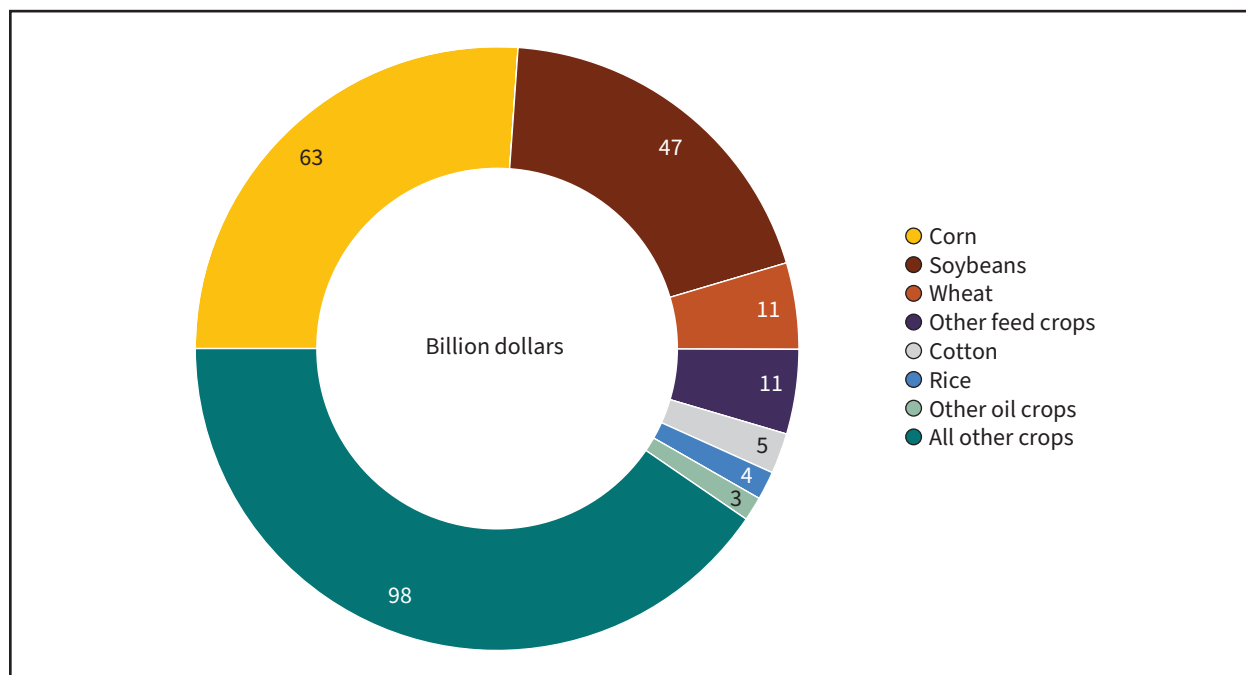
² The subsidies benefit farmers by reducing the cost of purchasing a crop insurance policy, but they are not considered direct government payments.

U.S. Wheat Supply and Use Background

Wheat ranks third among U.S. field crops in planted acreage, production, and cash farm receipts, behind corn and soybeans (figure 1). During the 2021/22 to 2025/26 marketing (June–May) years, U.S. farmers produced an average of 1.81 billion bushels of different classes of wheat (winter, spring, and durum) from a harvested area averaging 37.1 million acres³ (see box, “U.S. Wheat Classes” for a discussion of the different classes of wheat produced in the United States).

Figure 1

2024 U.S. cash farm receipts by crop commodity in nominal dollars



Note: All other crops includes tobacco, rye, fruits & nuts, and vegetables and melons.

Source: U.S. Department of Agriculture, Economic Research Service, Farm Income and Wealth Statistics, as of January 28, 2026.

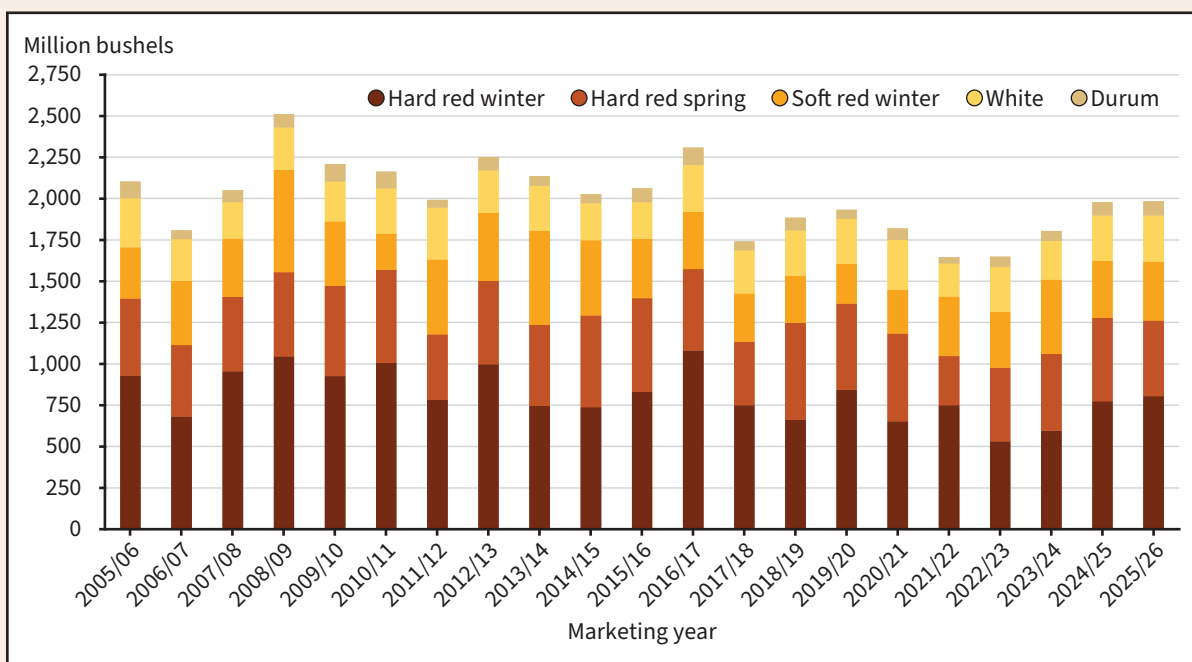
³ As of January 30, 2026.

U.S. Wheat Classes

Although per capita wheat consumption is declining, wheat remains the primary food grain produced in the United States. U.S. wheat production is segmented into three general types: winter wheat, spring wheat, and durum wheat.¹ Winter wheat is the predominant type, representing nearly 70 percent of total U.S. production. Spring wheat typically constitutes about 25 percent, and durum wheat represents the remainder.

Box figure 1

U.S. wheat production by class, 2005/06–2025/26



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, as of March 2, 2026.

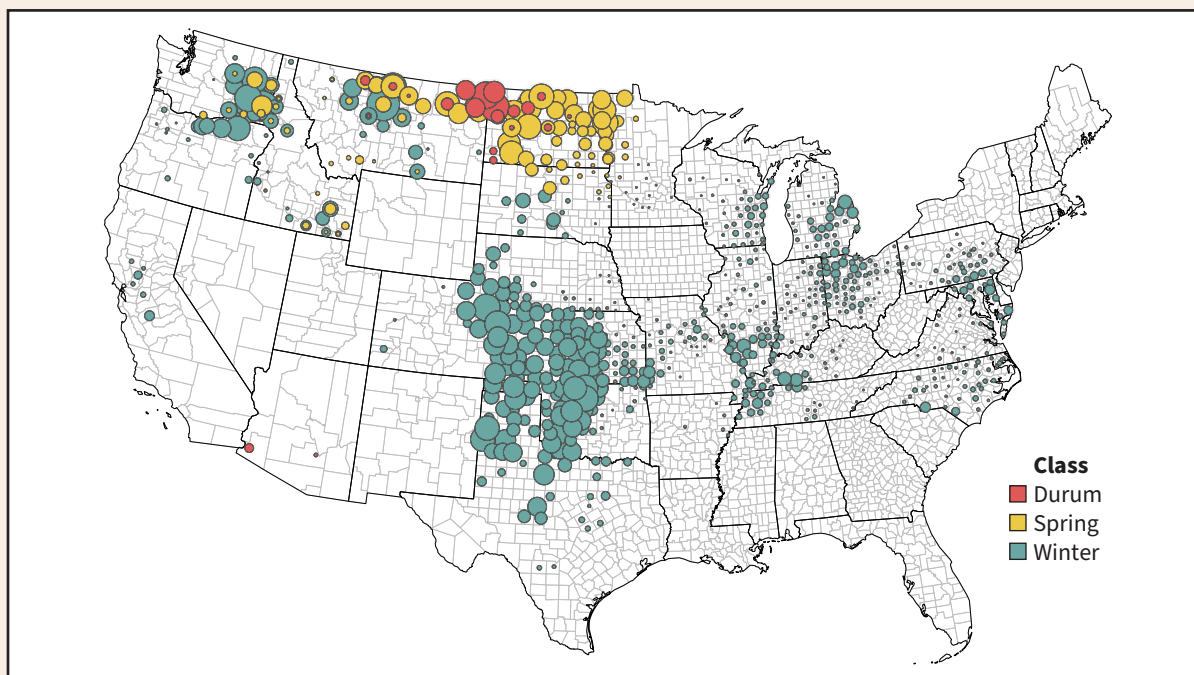
Of these three broad categories, five major classes are grown in the United States: Hard Red Winter, Hard Red Spring, Soft Red Winter, White,² and Durum. Production of each class of wheat tends to be concentrated in certain regions, and principal uses tend to be specific to each class (box figures 1–2, box table 1).

¹ Winter wheat is sown in the autumn in order to become established before cold weather arrives and the plants enter dormancy for the winter. Plants resume growth in the spring and are harvested in summer. In Northern Great Plains States with harsh winters (Minnesota, Montana, and North Dakota), spring and durum varieties predominate. These varieties are planted in mid-March through early June and are harvested in the late summer or fall.

² White wheat is a general category of wheat used in the *World Agricultural Supply and Demand Estimates* comprising Soft White Winter, Soft White Spring, Hard White Winter, and Hard White Spring.

continued on next page ►

Box figure 2
By-class wheat total planted acres, 2025



Note: Circle size corresponds to the number of acres planted to wheat in the county. The USDA, National Agricultural Statistics Service (NASS) only tracks data for three categories of wheat (Durum, Spring, and Winter) at the county level rather than the five mentioned below in box table 1. Alaska and Hawaii are not pictured because they have no wheat acreage reported by USDA, NASS.

Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service as of April 15, 2026.

Box table 1
Wheat by class share of productions, growing regions, and uses

Class of wheat	Share of production, 2020/21–25/26 average (percentage)	Primary production regions	Principal uses
Hard Red Winter (HRW)	37.8	Great Plains (northern Texas through Montana)	Bread flour
Hard Red Spring (HRS)	24.8	Northern Plains (North Dakota, Montana, Minnesota, South Dakota)	Specialty breads, blending
Soft Red Winter (SRW)	19.4	Mississippi River States, Eastern States	Cakes, cookies, crackers
White	14.4	Idaho, Michigan, Oregon, Washington	Noodle products, crackers, cereals, crusted white bread
Durum	3.6	Montana, North Dakota	Pasta

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, as of March 2, 2026.

Domestic Supply Developments and Prospects

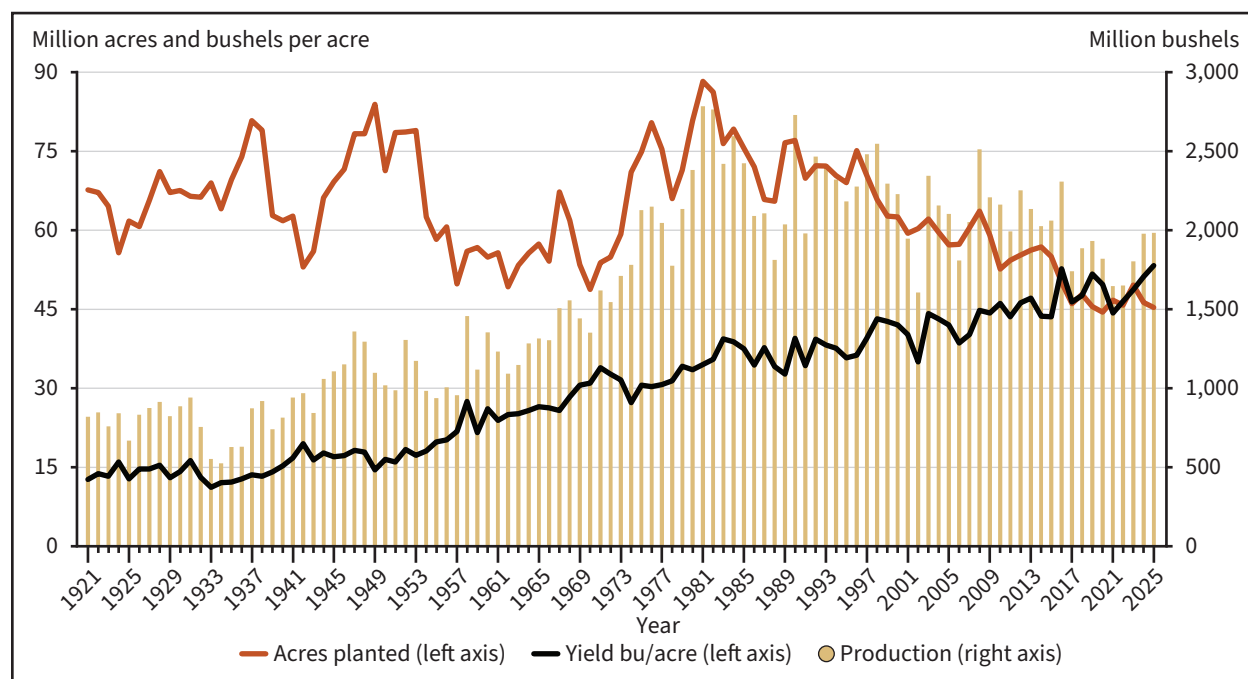
Domestic Acreage and Production Declining

U.S. wheat planted area has steadily declined from its 1981 peak of 88.3 million acres to consistently under 50 million acres since 2017/18 (figure 2).⁴ This long-term downward trend in wheat planted area and production has resulted from a confluence of factors. Relative returns to production have contributed to the decline in wheat acres. In particular, higher relative returns to corn and soybeans have encouraged wheat producers to plant those crops and reduce acres devoted to wheat.

Wheat acreage also declined as a result of the increased planting flexibility offered by the 1996 Farm Bill (the Federal Agriculture Improvement and Reform Act of 1996 (FAIR; Pub. L. 104-127)). This legislation redesigned the farm income support framework by basing Federal payments on production history rather than on currently planted acres (this framework has been maintained in all subsequent Farm Bills).

This allowed farmers to exchange wheat acres for coarse grains and oilseeds that experienced improved yields and production prospects relative to wheat due to technological innovations and genetic improvement. Improvements in wheat genetics have been slower than other major field crops due to both a more complicated genome and lower potential research investment returns (Yong, 2018). Additionally, wheat has not benefitted from the rollout of genetically engineered (GE) technologies. There is no commercial production of GE wheat in the United States, as U.S. wheat processors have been wary of consumer reaction to foods containing GE wheat.

Figure 2
U.S. wheat planted area, yield, and production, 1921–2025



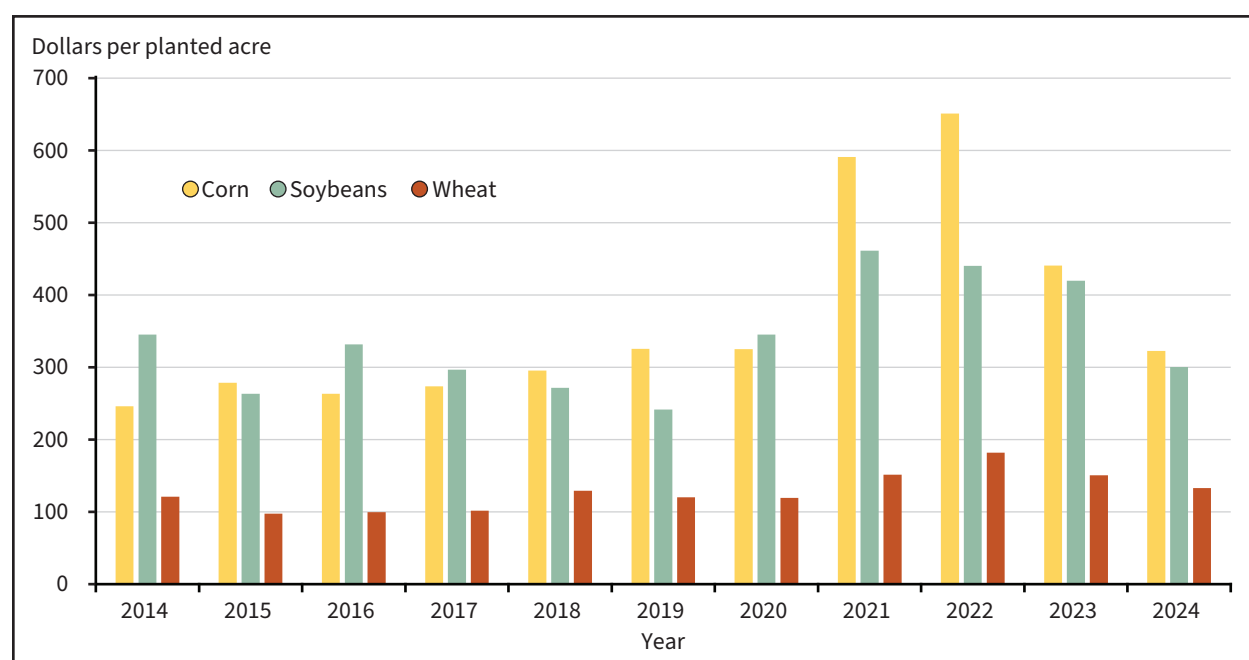
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service as of January 26, 2026.

⁴ In fact, for the 2022/23 marketing year (June 2022–May 2023), harvested area was the lowest recorded since 1888/89.

Wheat production has declined alongside reductions in planted area, but yield growth has offset some of the acreage decline (figure 2). The 5-year average yield increased from 35.4 bushels/acre during 1979/80–83/84 (when wheat acreage had peaked) to 48.8 bushels/acre during 2021/22–25/26, a 37.8 percent increase. Corn and soybean yields, in contrast, each rose by 75–77 percent over the same time span.

Similarly, as wheat yields lagged behind other major field crops, producers either stopped planting wheat or changed their rotations to include a greater share of more profitable corn or soybean crops (Sowell & Williams, 2024). This gap in profitability can be illustrated by comparative costs and returns for the three crops (figure 3). For example, the national average value of production less operating cost for wheat grew from about \$102 per acre in 2017 to a peak of \$182 per acre in 2022 (USDA, Economic Research Service, 2025). The same measure of profitability for corn more than doubled from nearly \$274 per acre to a peak of over \$651 in that same timespan. The figure for soybeans grew from almost \$297 per acre in 2017 to a peak of over \$461 per acre in 2021.⁵ Net returns have since declined for all three crops.

Figure 3
National average value of production less operating costs, 2014–24



Note: Does not include Government payments.

Source: USDA, Economic Research Service (ERS) using USDA, ERS and USDA, National Agricultural Statistics Service's Agricultural Resource Management Survey (ARMS) data. Survey base years are those in which a survey of producers was concluded. These years provide a baseline from which estimates in subsequent years are set. For further ARMS documentation, see USDA, ERS Commodity Costs and Returns Data Products on the USDA, ERS website as of October 1, 2025.

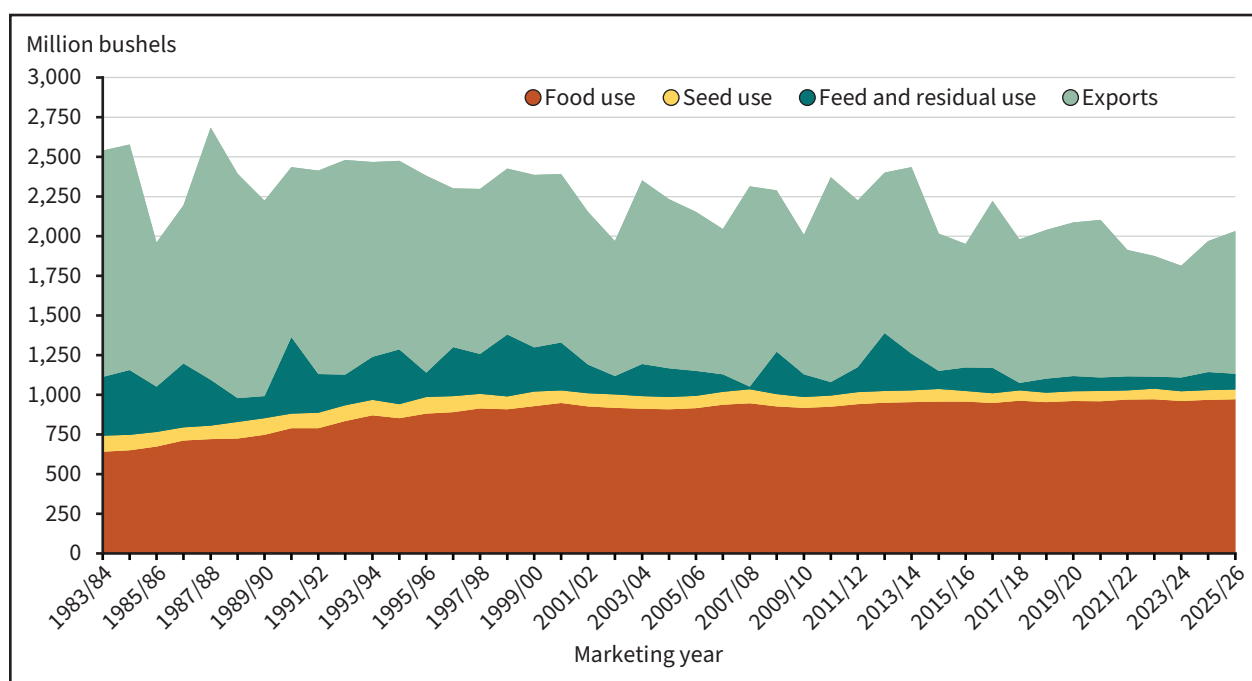
⁵ Land quality and environmental conditions can also impact the relative profitability and risk of producing corn, soybeans, and wheat. Relative corn and soybean production profitability tends to favor U.S. production regions with more seasonal rainfall and warmer temperatures, where yield variability is lower (i.e., the Midwest). Wheat production (and relative profitability) favors U.S. production regions with cooler and dryer seasonal growing conditions (i.e., the Great Plains).

U.S. wheat planted area declined to 42.7 million acres in 2026/27, and USDA's long-term projections anticipate 44.0 million planted acres throughout the projection period (2027/28-2035/36) (USDA, OCE, 2026). Yield growth is projected to offset the area decline, such that production is projected to rise slightly throughout the next decade, although ending still below 2025/26 levels.

Wheat Utilization

Wheat supplies in any given marketing year are the combination of domestic production, imports, and stocks (supplies) carried over from previous years, while the primary uses for wheat produced in the United States include domestic food use, exports, and, to a lesser extent, seed use (for planting) and animal feed and residual use (figure 4). The following sections focus on domestic food use (the largest category of domestic use), and the U.S. role in global wheat markets.

Figure 4
U.S. wheat utilization, 1983/84–2025/26



Note: The marketing year for wheat is from June to May. Exports includes flour and selected other products expressed in grain-equivalent bushels.

Source: USDA, Economic Research Service, Wheat Data as of January 12, 2026.

Domestic Food Use Fluctuates But Has Generally Risen With Population Growth

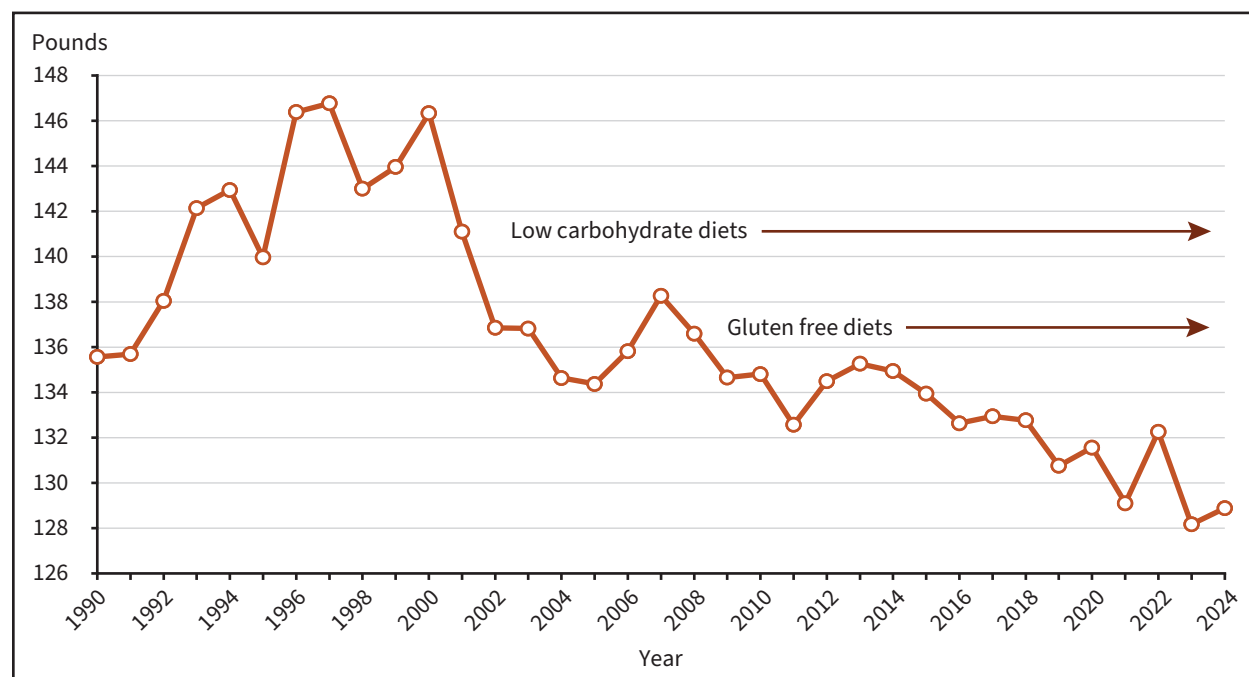
Aggregate U.S. consumer use of wheat-based products varies little from year to year, experiencing little change from fluctuations in wheat prices or consumer income (IBISWorld, 2023). Over the long run, aggregate demand has been affected by population growth and changes in consumer preferences.

Although aggregate domestic wheat use has stabilized at just over 1 billion bushels per year, per capita consumption has declined since the late 1990s as consumers increasingly adopted first low-carbohydrate diets, and then entirely gluten free diets (figure 5). These trends contributed to a 12 percent reduction in per capita disappearance of wheat flour from 2000 to 2024, falling from 146

pounds to 129 pounds over the period. USDA’s long-term agricultural projections to 2035 anticipates that total domestic food use of wheat will rise slower than population growth, implying an ongoing decline in per-capita wheat consumption (USDA, OCE, 2026).

Figure 5

U.S. wheat flour per capita disappearance, 1990–2024



Source: USDA, Economic Research Service, Wheat Data as of January 12, 2026.

U.S. Wheat Trade

Although the United States produces only about 6–7 percent of the world’s wheat on average, it is a major wheat exporter. While the United States has not been the world’s top exporter in more than a decade, it has remained among the top five global wheat exporters (figure 6).

Despite rising global trade for wheat driven by increased wheat consumption (particularly in low- and middle-income countries), the U.S. share of global wheat exports has declined. The United States accounted for an average of 10 percent of global trade year (July–June) exports between 2021/22 and 2025/26, down from 24 percent in the decade between 2000/01 and 2009/10. U.S. exports reached a recent peak of 1.29 billion bushels in 2010/11, well below the record of 1.77 billion bushels in 1981/82 and have fallen to an average of 817 million bushels in the past five June–May marketing years (2020/21–2024/25). Despite some trade policy challenges (see box, “Trade Policy Issues and Challenges for the U.S.”), exports remain an important source of demand for U.S. wheat, with exports accounting for 42 percent, on average, of total U.S. wheat disappearance (e.g., demand) between 2020/21 and 2024/25. USDA’s long-term agricultural projections anticipate a modest rebound in exports to 915 million bushels by 2035/36.

Despite being a substantial wheat exporter, the United States imports some wheat, primarily from Canada, due to price differences that can incentivize cross border trade and to supplement U.S. supplies of particular classes (and qualities) of wheat that may be in short supply, especially durum wheat. Domestic and international buyers of spring and durum wheat are very sensitive to quality differences, which can shift trade flows, including between the United States and Canada. Prior to 1980, wheat imports were typically well below 10 million bushels per year but have been generally above 75 million bushels since the early 1990s. Imports reached a record level of 172 million bushels in the 2013/14 marketing year and are projected to remain mostly at 120 million bushels per year through 2035/36.

The United States also imports wheat flour and other wheat products, averaging around 40 million bushels (about 1.1 million metric tons) per marketing year from 2014/15 through 2024/25.⁶ Pasta and noodle products represent the bulk of wheat product imports, sourced largely from Canada, the European Union, and Asia. Total imports of wheat (grain, flour, and products) account for about 11 percent of U.S. wheat consumption.

World Wheat Trade

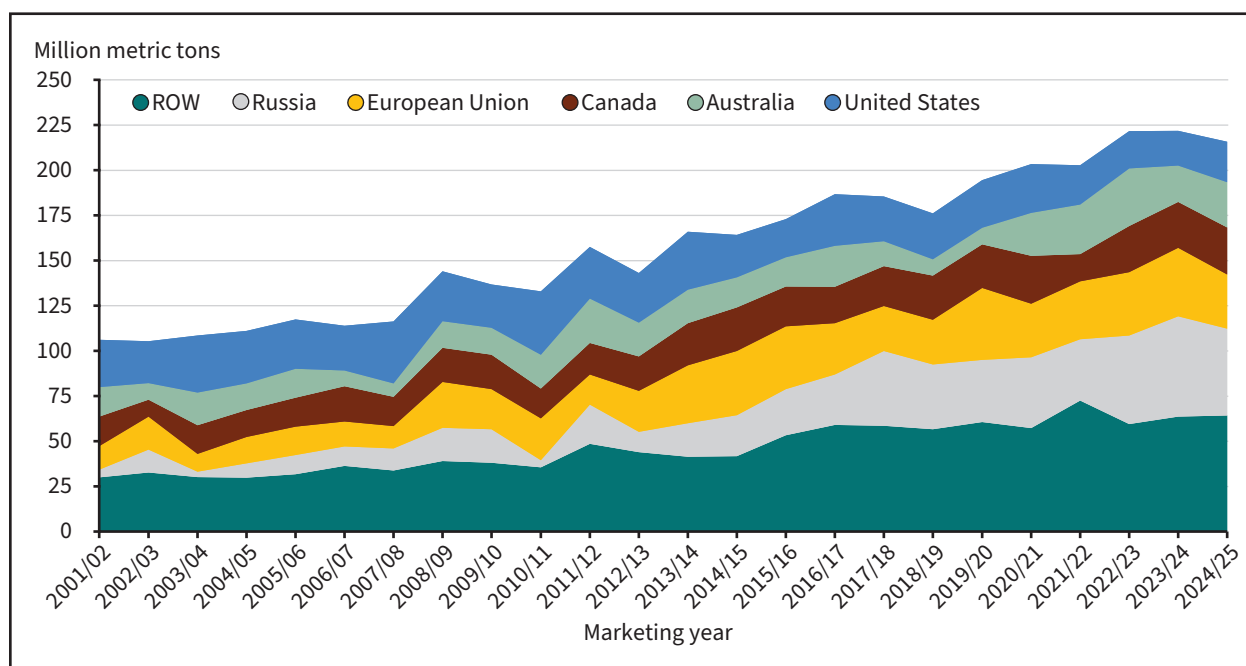
Since 2015/16, the United States, European Union, Russia, Canada, and Australia accounted for roughly 69 percent of global wheat exports (figure 6). Historically, the United States was the world's leading wheat exporter but has gradually lost this role to other key competitors who have increased wheat production concurrently with the U.S. decline in wheat production. Russia is now the world's top wheat exporter with its exports, on average, just under 22 million metric tons greater than that of the United States between 2020/21 and 2024/25 (July–June international trade years), about twice the exports of the United States in recent years.

Russia has gradually shifted from being a net importer in 2000/01 to its current leading role in global trade because of expanded area (especially winter wheat) and improved technology (e.g., nutrient management, updated equipment) which has contributed to higher yields. Exports from the European Union, Australia, and Canada have also exceeded those of the United States in recent years. Competition from these exporters has affected U.S. market share in many key markets across the globe. Argentina is also a major direct competitor for U.S. wheat in the Western Hemisphere, but its exports are somewhat volatile based on variable production and domestic policies.

Ukraine's exports have been at nearly the same level as before the war with Russia began in February 2022, but reduced production in recent years is expected to result in somewhat lower exports in the near and long term (USDA, FAS, 2025; USDA, OCE, 2025). Ukraine's exports were significantly restricted in the early phases of the war, but the pace became more normalized with the operation of the Black Sea Grain Initiative, a shipping agreement with Russia officially in place from July 2022 to July 2023. Following the expiration of the Black Sea Grain Initiative, Ukraine established a new export corridor without Russia's oversight. Russia's exports continued throughout the war and reached a record level in 2023/24. Russian exports fell in 2024/25 but were still among the highest on record. Russia, the European Union, and Ukraine compete for exports to various markets, including price-sensitive regional markets in North Africa and the Middle East. U.S. wheat is mainly exported to markets in Asia and Latin America based on quality preferences and proximity, with the major competitors for those markets being Australia, Canada, and Argentina.

⁶ As expressed in wheat grain equivalent (e.g., the quantity of wheat needed as an input to produce a certain quantity of flour and products as an output).

Figure 6
Global wheat exports



Note: ROW = Rest of world.

Source: USDA, Economic Research Service using USDA, Foreign Agricultural Service, Production Supply and Distribution database, as of January 29, 2026.

A larger number of countries import wheat, and those countries are dominated by a range of upper- and lower-middle income countries with limited domestic production capacity whose consumers largely have rising per capita incomes and diversifying diets. Top import destinations include Egypt, Indonesia, Algeria, Brazil, Morocco, the Philippines, Nigeria, Bangladesh, and Vietnam. While also a major producer and exporter, the European Union is generally a major importer, driven by specific quality needs as well as shipments from nearby Ukraine. Global wheat trade was projected to grow by 11.1 percent between 2025/26 and 2034/35 (USDA, OCE, 2025).

Trade Policy Issues and Challenges for the U.S.

Although wheat is a heavily traded commodity, the United States has faced periodic or persistent market access issues from some importing countries over time. These include:

- When it acceded to the World Trade Organization (WTO) in 2001, China agreed to open an annual tariff-rate quota (TRQ) for 9.6 million metric tons of wheat imports to enter the country duty-free. However, the administration of this TRQ was not transparent and 90 percent of it was controlled by government-run enterprises. China routinely did not fill its WTO quota even though domestic prices were generally elevated substantially above international prices. In 2019, however, the United States won two key WTO cases against China. In recent years, China's demand for international wheat has been mostly stronger with total imports often exceeding the level of the TRQ, reaching 13.6 million metric tons in the 2023/24 July-June trade year, the highest level in 32 years. China's demand for wheat can vary tremendously from year to year based on crop quality and policy considerations. In 2024/25, Chinese imports from global markets were less than one-third the 2023/24 level. China's imports from the United States are also highly variable, with China having bought nearly 4 million metric tons of U.S. wheat in 2013/14 but importing minimally in some other years.
- India's domestic wheat (and rice) production and stockholding have also been addressed in WTO proceedings. In previous years, its high domestic procurement prices caused government-held stocks to grow. The United States has attested that India's level of support for these commodities is in excess of its WTO commitments. India's wheat ending stocks reached a record 27.8 million metric tons in 2020/21 but have declined in recent years as heat waves affected domestic production while domestic disappearance grew. The government offloaded larger-than-normal volumes from stocks to dampen food inflation for consumers. Stocks in 2023/24 were estimated at 7.5 million metric tons, the lowest level in 16 years. India's stocks expanded in 2024/25 and are forecast to grow again in 2025/26. India's imports have not been substantial in the last several years and India has not purchased U.S. wheat in more than two decades.
- Turkey operates an inward processing regime (IPR) in which wheat is imported duty free to be processed and exported as value-added products (mainly flour). U.S. Wheat Associates pursued this issue with the WTO, asserting that Turkey's exports were effectively subsidized. The Philippine Association of Flour Mills also discussed the issue with their government. In November 2014, the Philippine Tariff Commission established anti-dumping duties. Once the duties were in place, Turkish flour exports to the Philippines declined, but exports to other markets increased. In 2023, the leading markets for Turkish flour and product exports were Iraq, Somalia, Venezuela, and Syria. More recently, Turkey's government has imposed restrictions on wheat imports in response to rising stock levels. Turkey's imports in 2024/25 are estimated at less than half the level of the previous year, with a smaller decline in exports forecast. Turkey's imports are mostly supplied from Russia based on price and logistical advantages.

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- The U.S. wheat industry sought implementation of a 750,000 metric ton duty-free TRQ for its wheat exports to Brazil. The proposed quota would apply to all non-Mercosur¹ trading partners and was based upon agreements from the WTO Uruguay Round. U.S. wheat exports to Brazil had long been subject to a 10 percent import duty. The bulk of Brazil's imports have historically come from Argentina, whose wheat exports to Brazil are duty-free based on its membership in the Mercosur trading bloc. In November 2019, Brazil implemented the 750,000 metric ton TRQ and U.S. exports to the market initially increased. In subsequent years, U.S. exports to Brazil have waned with Russian wheat taking a larger share of the non-Mercosur trade.
- U.S. wheat exports to Japan have benefitted from a long and historic trade relationship. In 2019, the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)—a multilateral trade agreement including 11 countries² bordering the Pacific Ocean—took effect, which gave a tariff advantage to member countries Australia and Canada. However, this disadvantage was neutralized when the United States and Japan signed the U.S.-Japan Trade Agreement in 2019. The United States, Canada, and Australia are typically the largest wheat suppliers to Japan.

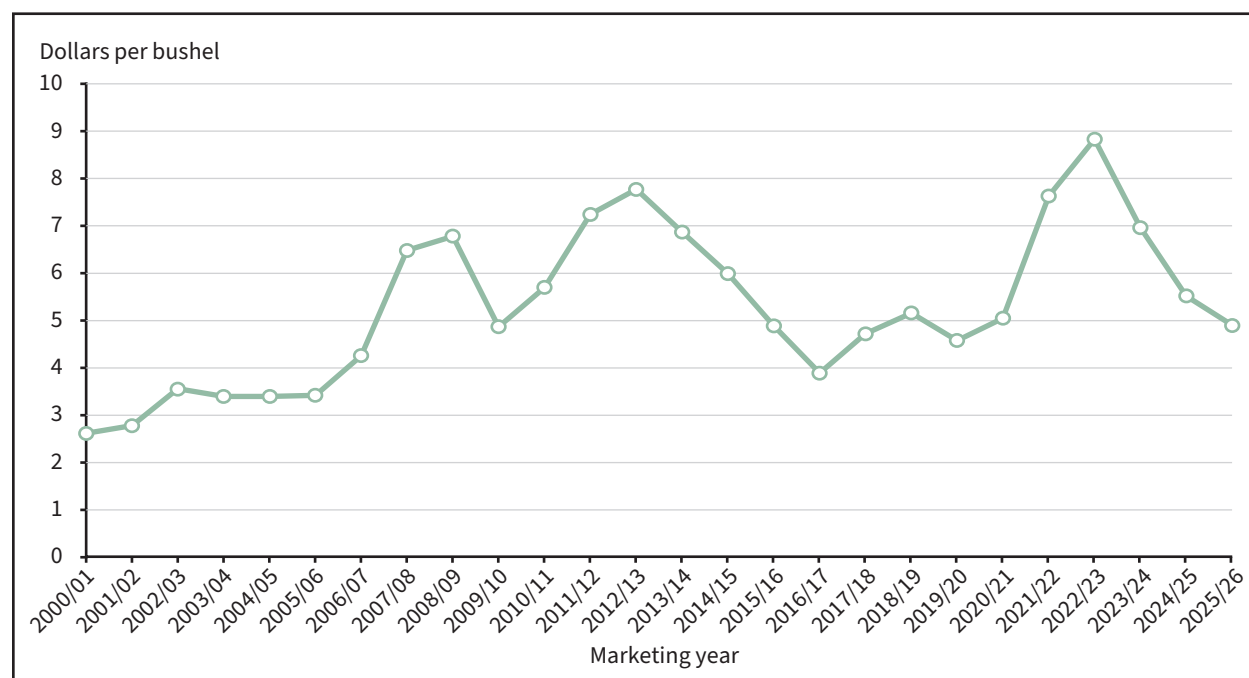
¹ The active full members of this trade bloc include Argentina, Brazil, Paraguay, and Uruguay.

² The 11 countries party to the agreement are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Wheat Prices Surged Beginning in 2021 But Are Returning to Historical Norms

Prices for wheat (and many other commodities) surged in the United States and globally from the 2020/21 through the 2022/23 marketing years. After averaging \$5.62 per bushel between 2010/11 and 2020/21, wheat prices (specifically the season-average farm price) rose to \$7.63 per bushel in 2021/22 and to a record \$8.83 per bushel in 2022/23 (figure 7) before falling to \$6.96 per bushel in 2023/24. Wheat prices are estimated lower at \$5.52 per bushel in 2024/25, weighed down by larger production and ending stocks compared to the previous year. In 2025/26, ending stocks are forecast to grow larger and the wheat price is expected to decline again.

Figure 7

U.S. all wheat weighted-average farm price, 2000/01–2025/26

Note: U.S. season-average price based on monthly prices weighted by monthly marketings. Prices do not include an allowance for loans outstanding and Government purchases. For Hard Red Winter, Hard Red Spring, Soft Red Winter, and White, a simple average of monthly prices for selected States prior to 2002/03 was used.

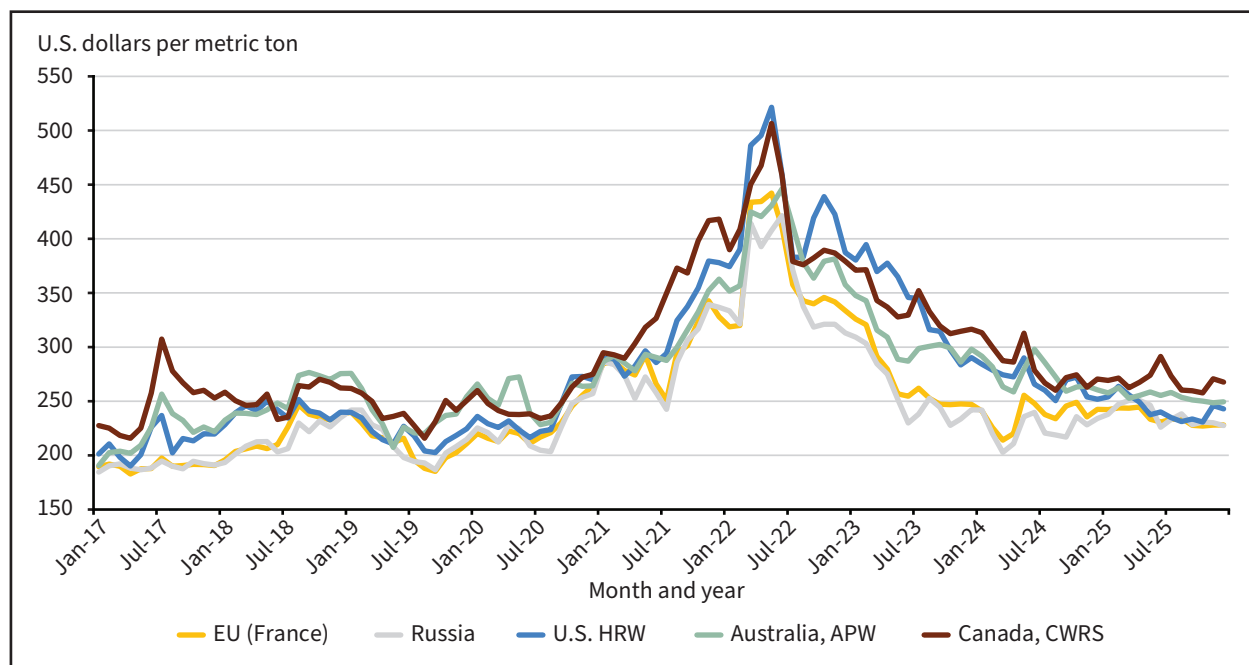
Source: USDA, Economic Research Service using USDA, National Agricultural Statistics Service, Crop Production and Agricultural Prices; and USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates as of January 12, 2026.

U.S. wheat prices surged in 2021 partly driven by drought affecting White wheat production in the Pacific Northwest and Hard Red Spring (HRS) production in the Northern Plains. The U.S. wheat crop that year was the smallest since 2002. At the same time, stocks held by major exporters globally were relatively tight with U.S. stocks declining substantially in 2021/22.

When the war between Russia and Ukraine began in February 2022, already elevated global wheat prices surged even further (Sowell & Swearingen, 2022). The surge in prices reflected the market's uncertainty about the continuity of wheat trade from this important production region. Wheat prices hit multi-year highs in May 2022, which were also a response to ongoing drought that affected Hard Red Winter (HRW) production in the Great Plains.

Prices began to subside from those high 2022/23 marketing year levels as international trade stabilized to some extent with Ukraine exporting wheat via the Black Sea Grain Initiative initially, then later via a separate export corridor. Russia's exports continued at record levels throughout the war's first years. Strong prices in the fall of 2022 contributed to a decision by U.S. wheat farmers to plant more HRW and Soft Red Winter (SRW) wheat for the 2023/24 marketing year (Sowell & Swearingen, 2023). Production was up in 2023/24 despite drought once again affecting key HRW production areas. U.S. area planted to wheat was down for 2024/25, but area harvested and yield were up based on favorable weather in key production regions. Higher U.S. production and large exports by key competitors kept international prices trending gradually downward in 2025 (figure 8). The USDA long-term projections anticipate that U.S. wheat prices will climb back up to \$6.00 per bushel for the 2031/32 through 2035/36 marketing years.

Figure 8

Wheat prices for major exporters (January 2017–December 2025)

Note: All quotes are freight-on-board (FOB). The France quote is for Rouen. The Russia quote is for 12.5 percent protein, Black Sea. HRW=Hard Red Winter, 11.5 percent protein, U.S. Gulf. APW=Australian Prime White, Kwinana, Western Australia. CWRS=Canadian Western Red Spring, 13.5 percent protein, St. Lawrence. Protein levels may not be directly comparable due to differing moisture standards from country to country.

Source: USDA, Economic Research Service using data from the International Grains Council, as of January 30, 2026.

Current Farm Bill Related Risk Management Programs for Wheat— Farm Bill Titles I and XI

With crop prices on a downward trend in recent years and with most provisions of the 2018 Farm Bill reauthorized in 2023 and 2024, Congress modified parameters contained in the 2018 Farm Bill through OBBBA, signed into law in July 2025. These provisions modify risk management tools to current wheat producers and those with a historical record of production (“base” acres) through Commodity Programs and Crop Insurance, outlined under Titles I and XI, respectively, of the 2018 Farm Bill.⁷

These programs are available to help producers attenuate income losses from either low yields or prices. Overall, the Federal programs offered under Title I and Title XI provide a safety net that is broad in scope and adaptable to the unique needs of each producer, though decisions on what programs to use, when to use them, and how to use them can be complex (Todd & Subedi, 2021; Key et al., 2017). Table 1 summarizes the main Title I and Title XI programs relevant to wheat.⁸

⁷ Many provisions of the 2018 Farm Bill expired on September 30, 2023, but were then extended through subsequent legislation, starting with the 2024 Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22) which extended 2018 Farm Bill provisions through 2024, then the American Relief Act, 2025 (Pub. L. 118-158) which extended provisions through 2025, and ending with the One Big Beautiful Bill Act (OBBBA, Pub. L. 119-21), which extends these provisions through 2031.

⁸ Wheat and other commodity producers also received benefits under ad hoc programs in response to specific circumstances in recent years (including the Market Facilitation Program, Coronavirus Food Assistance Program, Emergency Relief Program, Emergency Commodity Assistance Program, and Supplemental Disaster Relief Program), but these programs are authorized in legislative vehicles outside of Farm Bills.

Table 1

Summary of risk management programs

Protection type	Crop programs
Price protection	• Price Loss Coverage • Marketing assistance loans/loan deficiency payments
Yield protection/compensation for physical losses	• Yield protection insurance policies • Noninsured Crop Disaster Assistance Program
Revenue protection	• Agriculture Risk Coverage • Revenue protection insurance policies
Other protection	• Area and index based insurance policies • Prevented planting coverage offered by Federal crop insurance

Note: The Noninsured Crop Disaster Assistance Program (NAP) is available only in situations where crop insurance is not offered. Since most wheat production areas are covered by crop insurance, NAP is available in only a small number of counties.

Source: USDA, Economic Research Service using information from USDA, Farm Service Agency and USDA, Risk Management Agency.

Title I Support Programs

Commodity Programs—Crops

Several risk management programs are available for wheat and other crops as part of Title I of the Farm Bill. These programs most notably include the Agriculture Risk Coverage (ARC) program, the Price Loss Coverage (PLC) program, and marketing assistance loans (MALs).

Agriculture Risk Coverage and Price Loss Coverage

The ARC and PLC programs, which were introduced as part of The Agricultural Act of 2014 (2014 Farm Bill; Pub. L. 113–79, 2014) and later reauthorized in the 2018 Farm Bill, are designed as income support programs to mitigate price and/or revenue risk. Congress further amended these programs with the enactment of OBBBA in July 2025, which includes provisions increasing commodity support levels under both ARC and PLC. Payments under ARC and PLC are based on the farmer’s historical “base” acres by crop, which are not tied to annual planted acreage.

Base Acre Update Provisions in OBBBA

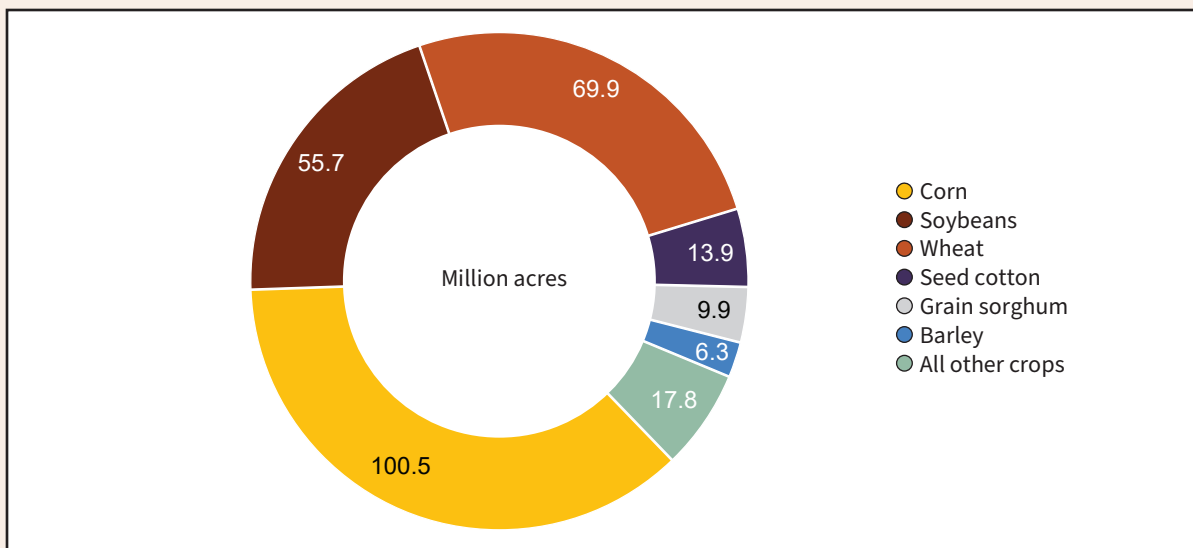
As a part of the 2025 One Big Beautiful Bill Act (OBBBA), farmers are given the opportunity to increase their base acreage. The new total base acreage will be calculated as the sum of:

- The 5-year average of the acreage planted to covered commodities¹ for harvest, grazing, haying, silage, or other similar purposes from the 2019 through 2023 crop years;
- Any acreage that producers were prevented from planting during the 2019 through 2023 crop years;
- The lesser of either 15 percent of the total acres on the farm or the 5-year average of noncovered² crops planted from 2019 through 2023 as well as any noncovered crops prevented from being planted during that same time frame.

For farms without base acres, the total base acres will then be allocated based upon the 5-year average share of planted acreage for each covered crop plus prevented plantings for each covered crop. For farms with existing base acres, a farm's average planted and prevented planted acres during that period must exceed the total existing base acres to be eligible for new base acres. Although this provision authorizes a potential increase in total base acreage across the country, it also restricts any base acre increase to no more than 30 million acres on top of the existing 274 million base acres, as of January 14, 2026 (box figure 3). If the total increase is greater than 30 million acres, an across-the-board, pro-rata reduction will be applied to the number of eligible acres to cap the increase at 30 million acres. The new base acres will be in effect beginning in the 2026 crop year.

Box figure 3

Base acres by major covered commodity, 2025



Note: All other includes canola, crambe, dry peas, flaxseed, large chickpeas, lentils, mustard seed, oats, peanuts, rapeseed, rice-long grain, rice-med grain, rice-temp japonica, safflower, small chickpeas, seed cotton, and sunflower seed.

Source: USDA, Economic Research Service using USDA, Farm Service Agency, Agriculture Risk Coverage and Price Loss Coverage data as of January 14, 2026.

¹ Covered commodities include wheat, oats, barley, corn, grain sorghum, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, dry peas, lentils, small chickpeas, large chickpeas, and peanuts.

² Eligible noncovered commodities means acreage planted on a farm to commodities other than covered commodities, trees, bushes, vines, grass, or pasture (including cropland that was idle or fallow).

Agriculture Risk Coverage (ARC) has two variations: (1) Agriculture Risk Coverage-County (ARC-CO), wherein payment rates are based on county revenue per acre for each covered commodity or (2) Agriculture Risk Coverage-Individual (ARC-IC), wherein payments are based on farm-level revenues per acre. For each farm, producers may participate (elect and enroll) in PLC or ARC-CO on a covered commodity-by-covered commodity basis, or ARC-IC for all covered commodities on the farm. Thus, if low commodity prices, low yields, or a combination of both result in lower revenue relative to a benchmark level (tied to separate Olympic averages of historical national prices and county yields for ARC-CO and Olympic averages of farm revenues for ARC-IC), ARC-CO or ARC-IC payments are triggered. PLC payments are triggered if national marketing year average prices fall below a certain threshold (known as the effective reference price) for the applicable crop.⁹

Enrollment in ARC and PLC has varied over time in response to legislative changes and market conditions. Under the 2014 Farm Bill, producers that chose to participate in ARC or PLC were required to make a one-time election into either program that would remain in effect for the entirety of the 2014 Farm Bill (USDA, Farm Service Agency (FSA), 2014). Under the 2018 Farm Bill, program election was only fixed for the first 2 years (2019 and 2020), after which the producer's election became an annual choice (USDA, FSA, 2019). In a one-time occurrence for 2025, producers were automatically enrolled into ARC or PLC based upon which program would result in the highest payment.

The 2018 Farm Bill also introduced changes to reference prices for PLC. These were originally set at fixed values as part of the 2014 Farm Bill and are referred to as "statutory reference prices." The 2018 Farm Bill introduced a mechanism for future modifications to statutory reference prices by establishing effective reference prices (ERPs). ERPs replaced statutory reference prices for purposes of establishing commodity-specific support levels under PLC. The 2018 Farm Bill specified that ERPs equal 85 percent of the 5-year Olympic average of the national marketing year price if that value is greater than the statutory reference price, up to a limit of 115 percent of the statutory reference price (table 3). Otherwise, the statutory reference price applies.

The 2025 OBBBA made further changes, increasing the statutory reference price for wheat and other crops through 2031 while maintaining the effective reference price system and raising the commodity-specific ERP from 85 percent of the 5-year Olympic average of the national marketing year to 88 percent of the Olympic average, beginning with program year 2025 (tables 2 and 3).¹⁰

⁹ For a more detailed discussion of ARC and PLC payment calculations see Turner et al. (2023).

¹⁰ The Act states that effective beginning with the 2031 crop year, the reference prices shall equal the reference price in the previous crop year multiplied by 1.005.

Table 2

Statutory reference prices for selected covered commodities: 2014 Farm Bill, 2018 Farm Bill, and OBBBA (2025)

Covered commodities	Statutory reference price (dollars)		
	2014 Farm Bill	2018 Farm Bill	OBBBA (2025)
Wheat (bushel)	5.50	5.50	6.35
Corn (bushel)	3.70	3.70	4.10
Grain sorghum (bushel)	3.95	3.95	4.40
Barley (bushel)	4.95	4.95	5.45
Oats (bushel)	2.40	2.40	2.65
Long-grain rice (cwt)	14.00	14.00	16.90
Medium-grain rice (cwt)	14.00	14.00	16.90
Soybeans (bushel)	8.40	8.40	10.00
Dry peas (cwt)	11.00	11.00	13.10
Lentils (cwt)	19.97	19.97	23.75
Small chickpeas (cwt)	19.04	19.04	22.65
Large chickpeas (cwt)	21.54	21.54	25.65
Peanuts (tons)	535.00	535.00	630.00
Seed cotton (lbs.)	Not covered	0.367	0.420

Cwt = hundredweight; lbs. = pounds.

Note: Seed cotton was not a covered commodity under the Agricultural Act of 2014.

Source: USDA, Economic Research Service using information from the Agricultural Act of 2014 (Pub. L. 113-79 Title 1, Subtitle A, Section 1116), Agriculture Improvement Act of 2018 (Pub. L. 115-334, Title 1, Subtitle A, section 1106, as amended by Pub. L. 115-123, Section 60101), and the One Big Beautiful Bill Act (OBBBA; Pub. L. 119-21, 2025, Title I, Subtitle C, Section 10301).

Table 3

Effective reference price calculations for the price loss coverage program for selected commodities, program year 2025 as authorized in the One Big Beautiful Bill Act (OBBBA; Pub. L. 119-21)

Covered commodities	Effective reference price (dollars) (lesser of A or B)		
	A. 115 percent of the reference price	B. The greater of (i) or (ii)	
		(i) Reference price	(ii) 88 percent of 5-year Olympic average of market year average price
Wheat (bushel)	7.30	6.35*	5.76
Corn (bushel)	4.72	4.10	4.42*
Grain sorghum (bushel)	5.06	4.40	4.67*
Barley (bushel)	6.27	5.45*	5.12
Oats (bushel)	3.05*	2.65	3.31
Soybeans (bushel)	11.50	10.00	10.71*
Long-grain rice (lbs.)	0.1944	0.1690*	0.1235
Medium-grain rice (lbs.)	0.1944	0.1690*	0.1297
Dry peas (lbs.)	0.1507	0.1310*	0.1204
Lentils (lbs.)	0.2731	0.2375	0.2587*
Small chickpeas (lbs.)	0.2605	0.2265	0.2529*
Large chickpeas (lbs.)	0.2950	0.2565	0.2798*
Peanuts (lbs.)	0.3623	0.3150*	0.2115
Seed cotton (lbs.)	0.4830	0.4200*	0.3483

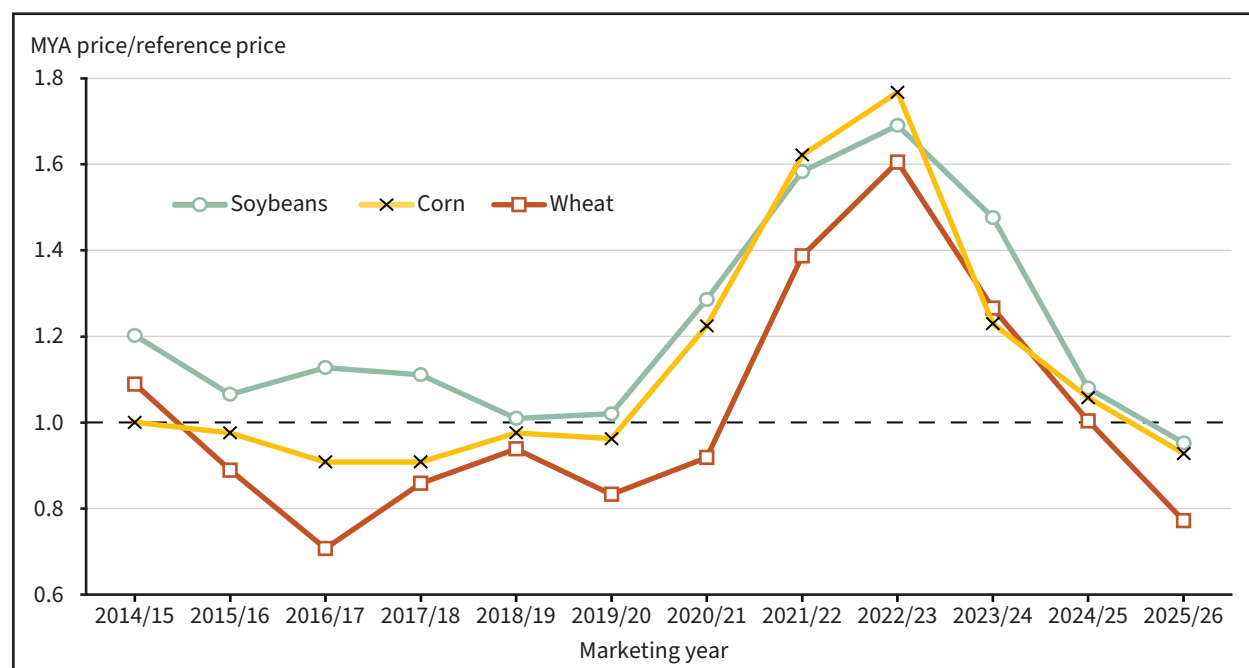
Note: * indicates the effective reference price. An Olympic average is the average of the most recent 5 years of data, excluding the years with the highest and lowest values (2019/20-2023/24).

Source: USDA, Farm Service Agency, ARC and PLC Data as of January 30, 2026.

Since the inception of the PLC program, marketing year average wheat prices have been below the statutory or effective reference price (figure 9) in 7 out of 12 years (during 2015–2020 and 2025). By program year 2021, a general trend of rising commodity prices meant marketing year average prices for wheat (as well as corn and soybeans) remained above their respective reference prices from 2021–24. The USDA long-term projections to 2035 anticipate that wheat prices will rebound from a forecasted low of \$4.90 per bushel in 2025/26,¹¹ climbing incrementally to \$6.00 per bushel in 2031/32 and remaining at that level through 2035/36.

¹¹ As of January 12, 2026.

Figure 9

Marketing year average prices relative to reference prices, 2014/15–2025/26

MYA = marketing year average.

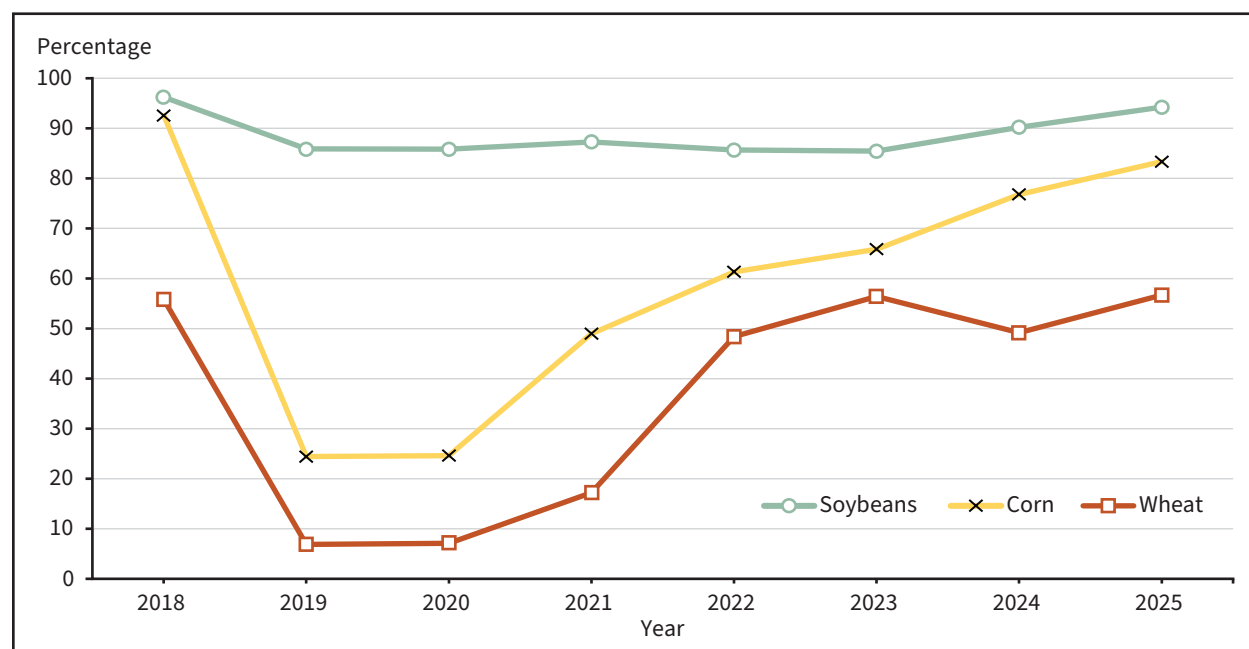
Notes: 2025/26 MYA prices are projected. Final MYA prices for 2025/26 may vary from what is depicted. Values in the chart plot measure MYA prices as a share of the relevant commodity specific reference price (the statutory reference price for 2014–18 and effective reference price for 2019 onward) which is calculated by dividing current year MYA price by the reference price. Values above (below) 1 indicate current year MYA prices that are above (below) the relevant reference price.

Source: USDA, Economic Research Service using data from USDA, Farm Service Agency, as of January 12, 2026.

Figure 10 shows the share of enrolled base acres in ARC from 2018 to 2025 for selected field crops (with the remaining share of acres enrolled in PLC). Initial enrollment under the 2014 Farm Bill (with 2014–18 values represented by 2018 in figure 10) saw the majority of wheat base acres enrolled in ARC-CO (approximately 54 percent of enrolled wheat base acres), with the remaining base acres being primarily allocated to PLC (approximately 44 percent of enrolled wheat base acres). Initial enrollment into ARC-IC represented approximately 2 percent of enrolled wheat base acres.

After the 2018 Farm Bill, the distribution of wheat base acres between ARC and PLC shifted, with most producers choosing to enroll in PLC (approximately 93 percent of enrolled wheat base acres for 2019), primarily due to lower prices. From 2021, the distribution of base acres started to revert to a distribution like what was seen prior to the 2018 Farm Bill as market prices fluctuated to make PLC less attractive. For 2023, the majority of wheat base acres were once again enrolled in ARC-CO (approximately 55 percent), followed by PLC (approximately 43 percent), with ARC-IC still representing a small share of base acres (approximately 1 percent). Wheat base acre owners enrolled almost half of their base acres in ARC (49 percent) in 2024 and more than half (56.7 percent) in 2025.

Figure 10

Share of enrolled base acres in ARC (percent share) by commodity, 2018–25

Note: Shares represent the sum of enrolled acres in both Agriculture Risk Coverage-County (ARC-CO) and Agriculture Risk Coverage-Individual (ARC-IC). In this chart, base acres not enrolled in ARC are enrolled in Price Loss Coverage (PLC).

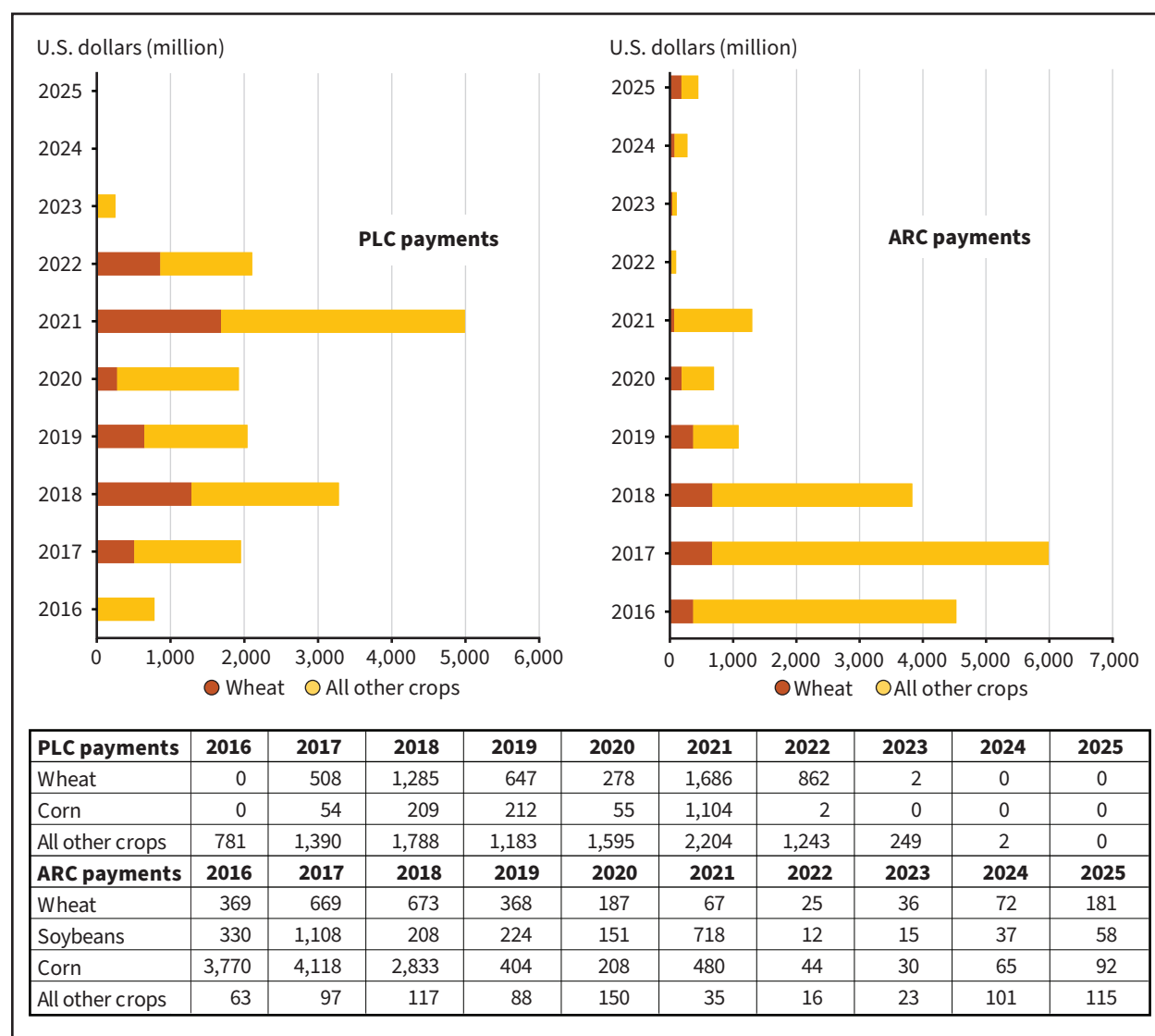
Source: USDA, Economic Research Service using data from USDA, Farm Service Agency, as of January 14, 2026.

Payments made through ARC and PLC have varied significantly both in response to variations in market prices and enrollment (figure 11). Payments to wheat producers from ARC initially exceeded those of PLC in fiscal years 2016 and 2017. Beginning in fiscal year 2018, payments to PLC exceeded those of ARC until fiscal year 2023 but there was a subsequent shift into ARC enrollment as prices rose and producers had the option to change their enrollment decisions annually (figure 11).¹² PLC payments have been at or near zero more recently, and ARC payments have been modest. The 2025 OBBBA continues ARC and PLC provisions with increased statutory reference prices through 2031 and continues to allow enrolled producers to change enrollment decisions annually.¹³

¹² Note that we use fiscal year data in figure 11 since data is available through fiscal year 2025 and program year data is only available through 2023. There is typically an 18-month lag between program enrollment and payment receipt, as USDA issues ARC and PLC payments in the October following the end of the marketing year. Accordingly, there is a lag between fiscal and program year data.

¹³ For the 2025 program year only, the Secretary shall, on a covered commodity-by-covered commodity basis, make the higher of Price Loss Coverage payments and Agriculture Risk Coverage payments to the producers on a farm for the payment acres for each covered commodity on the farm.

Figure 11

Total Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments by commodity, fiscal years 2016–25


Note: Data for fiscal year 2025 are estimates. There were no PLC payments to soybeans during this time period.

Source: USDA, Economic Research Service using data from the USDA Office of Budget and Program Analysis, 2019–26 USDA Explanatory Notes—Commodity Credit Corporation.

Marketing Assistance Loans

Marketing assistance loans (MALs) provide producers with interim financing at harvest time to meet cash flow needs without having to sell when market prices are typically low (Code of Federal Regulations, 2022). The MAL program offers producers of eligible commodities 9-month nonrecourse or recourse loans, depending on the crop, at commodity-specific loan rates for stored commodities placed under loan. Table 4 shows marketing loan rates by crop as authorized in OBBBA for crop years 2026–31, and under the 2014 and 2018 Farm Bills. The wheat loan rate was increased to \$3.38 per bushel in the 2018 Farm Bill from the previous rate of \$2.94 per bushel and will rise to \$3.72 beginning with the 2026 crop year under OBBBA.

Table 4

Comparison of national average loan rates under the 2014 and 2018 Farm Bills and OBBBA (dollars per unit)

Commodity	Unit	2014 Farm Bill crop years 2014–18	2018 Farm Bill crop years 2019–25	OBBBA
Wheat	bushel	2.94	3.38	3.72
Corn	bushel	1.95	2.20	2.42
Grain sorghum	bushel	1.95	2.20	2.42
Barley (1)	bushel	1.95	2.50	2.75
Oats	bushel	1.39	2.00	2.20
Cotton, upland (2)	pounds	0.45-0.52	0.45-0.52	0.55
Cotton, extra-long staple cotton	pounds	0.80	0.95	1.00
Rice, long-grain	hundredweight	6.50	7.00	7.70
Rice, medium-grain	hundredweight	6.50	7.00	7.70
Soybeans	bushel	5.00	6.20	6.82
Other oilseeds (3)	hundredweight	10.09	10.09	11.10
Dry peas	hundredweight	5.40	6.15	6.87
Lentils	hundredweight	11.28	13.00	14.30
Chickpeas, small	hundredweight	7.43	10.00	11.00
Chickpeas, large	hundredweight	12.28	14.00	15.40
Peanuts	ton	355	355	390

(1) Barley price is based on the all-barley price. Previously, the barley price was based on the feed barley price.

(2) The loan rate for upland cotton under the 2014 and 2018 Farm Bills were set by statutory formulas and could not be less than \$0.45 per pound or more than \$0.52 per pound. It is a flat \$0.55 per pound under the One Big Beautiful Bill Act (OBBBA).

(3) Other oilseeds are sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, and other oilseeds as designated by USDA.

Source: USDA, Economic Research Service using the Agricultural Act of 2014 (Pub. L. 113-79), Agriculture Improvement Act of 2018 (Pub. L. 115-334), and One Big Beautiful Bill Act of 2025 (Pub. L. 119-21).

With nonrecourse loans, producers pledge the commodity as collateral, meaning the commodity cannot be sold into the market while under loan. Before or upon loan maturity the borrower has the choice to sell the commodity, after paying off the loan principal plus interest, or when the loan matures the producer may deliver the pledged collateral (e.g., the stored commodity) to the Commodity Credit Corporation as full repayment for the loan (“forfeiture”).¹⁴ This option can benefit a producer if the market price of the commodity is below the loan rate.¹⁵

If the producer repays the marketing assistance loan when the repayment rate (as determined by USDA) falls below the marketing assistance loan rate, the producer gains a benefit (known as a marketing loan gain) equal to the difference between the marketing assistance loan rate and the repayment rate. Producers for most marketing assistance loan-eligible commodities who choose not to apply for a loan may also receive a comparable payment called a loan deficiency payment. As with marketing loan gains, a loan deficiency payment is equal to the difference between the loan rate and the repayment rate (when the repayment rate is the lower of the two).

¹⁴ Recourse loans are loans for which the commodity offered as collateral does not meet quality eligibility requirements. These commodities may not be forfeited in satisfaction of the loan indebtedness and must be repaid in full at principal plus interest.

¹⁵ In the context of the marketing assistance loan program, the term “loan rates” refers to a specified dollar value per unit of the commodity that would be received by the producer if the commodity were placed under loan (typically expressed in either dollars per bushels or dollars per hundredweight).

Marketing loans have not been extensively used for most crops from 2018/19 to 2025/26, with the notable exceptions of cotton and peanuts. Among leading crops, the average share of production under a loan placement during this time period was lowest for wheat at 2.0 percent and then 2.6 percent for soybeans, 4.0 percent for corn, and 15.7 percent for rice.¹⁶ Nevertheless, marketing assistance loans are important to some wheat producers, particularly when prices are low, and loan placements averaged \$96.26 million dollars annually during 2020–25. Wheat has not received any marketing loan gains or loan deficiency payments since passage of the 2018 Farm Bill. Payments to other commodities have been relatively small, normally totaling less than \$5 million per year. Cotton has occasionally been the exception, as marketing loan benefits totaled \$215 million in 2019 and \$60 million in 2025.

Although wheat marketing loan use has been low in percentage terms and marketing loan benefits (marketing loan benefits are the combined value of marketing loan gains and loan deficiency payments) absent since the 2018 Farm Bill was enacted, wheat producers have benefitted from marketing loan benefits—primarily in the form of loan deficiency payments—as recently as 2016/17 (with marketing loan benefits of \$136 million).¹⁷ This occurred even though the monthly wheat prices during the 2016/17 marketing year never fell below \$3.48 per bushel (compared to the loan rate of \$2.94 per bushel at the time). Day-to-day price volatility, regional price differences, and differences in prices by class explain why marketing loan benefits can be available even when national average wheat prices remain above the loan rate.¹⁸ These loans are also a source of low interest financing and act as a low-interest operating loan.

In addition, when prices are depressed for a prolonged period, the marketing loan program can be an important support mechanism for producers of wheat and other crops. Prior to the period of sustained price increases that began in the mid-2000s, grain and oilseed crops received substantial marketing loan benefits, with aggregate benefits across all loan commodities exceeding \$6 billion annually in 1999, 2000, and 2001.

Title XI Support Programs

Agricultural insurance available through USDA’s Federal Crop Insurance Program (FCIP) and supported through Title XI of the 2018 Farm Bill offers a variety of products to help producers manage yield and revenue risks.¹⁹ The FCIP is governed by the USDA, Federal Crop Insurance Corporation (FCIC), which is managed by the USDA, Risk Management Agency (RMA). From 2000 to 2025, the FCIP provided financial and administrative backing to more than 150 agricultural commodities, covering an average of 321 million acres each year. In recent years, the program has grown substantially, insuring more than 300 million acres for the first time in 2017 and reaching 561 million insured acres for the 2025 crop year; much of the increase is through the adoption of pasture, rangeland, and forage insurance rather than crops.

¹⁶ Loan placements averaged 51.9 percent of the upland cotton crop, and 79.2 percent of the peanut crop during 2018/19 and 2025/26, as of January 30, 2026.

¹⁷ Cotton producers received over \$300 million in marketing loan benefits in each of 2014 and 2015.

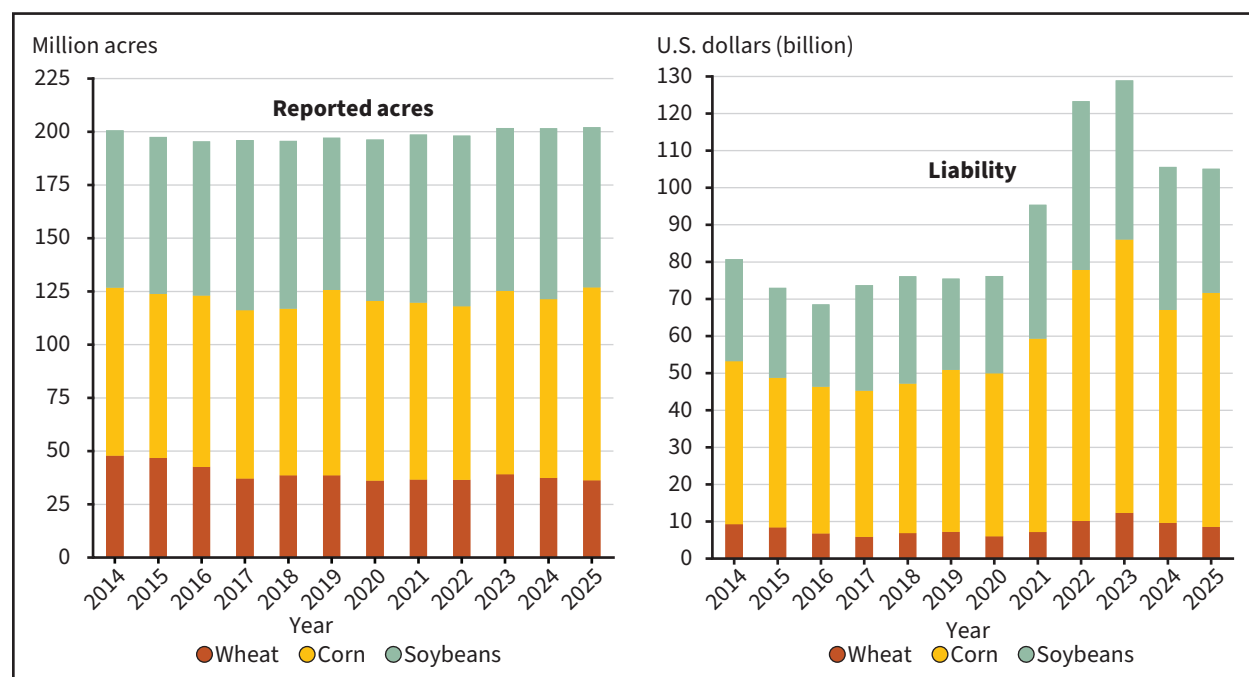
¹⁸ USDA, Farm Service Agency calculates county-level and class-level loan rates for wheat every year, that when weighted must equal the national rate.

¹⁹ The private sector also offers limited access to crop insurance, with most private sector options being limited to single peril hail insurance. The vast majority of crop insurance policies sold in the United States originate from the FCIP.

During the period from 2015 to 2025, FCIP provided \$8.1 billion of insurance protection (liability) on 38.8 million acres annually for U.S. wheat producers, representing about 77.4 and 81.6 percent of total wheat production value and planted acreage, respectively. Over this same period, the program averaged \$1.3 billion in annual premiums collected for wheat, with Federal premium support averaging \$0.82 billion each year. Although the period from 2015 to 2025 saw a near doubling in the amount of U.S. crop and pasture acres covered by FCIP policies, wheat’s insured acres declined by 22 percent from 46.8 million in 2015 to 36.3 million by 2025 (figure 12), commensurate with an 18 percent decline in acres planted to wheat over this time span.

Figure 12

U.S. Federal Crop Insurance Program reported acres by commodity type, 2014–25



Source: USDA, Economic Research Service using data from USDA, Risk Management Agency Summary of Business as of February 2, 2026.

The FCIP offers producers a wide array of insurance plans tailored for insuring a single commodity, such as wheat and other field crops (Turner et al. 2023; Tsiboe & Turner 2023). These plans are essentially categorized into two main types: individual-based policies and area or index-based policies.²⁰ Individual policies compensate based on the specific loss experiences of an individual insured unit. In contrast, area or index plans depend on the experiences of a broader group of producers (e.g., county or other geographic area), which might not align precisely with an individual producer’s experience (Tsiboe et al., 2023).

Both individual and area or index-based policies are further distinguished based on whether they provide yield or revenue protection. Yield-based policies are designed to safeguard against a decrease in production quantity, essentially protecting producers from low yields. On the other hand, revenue-based policies ensure a certain level of income by covering risks associated with low output prices and/

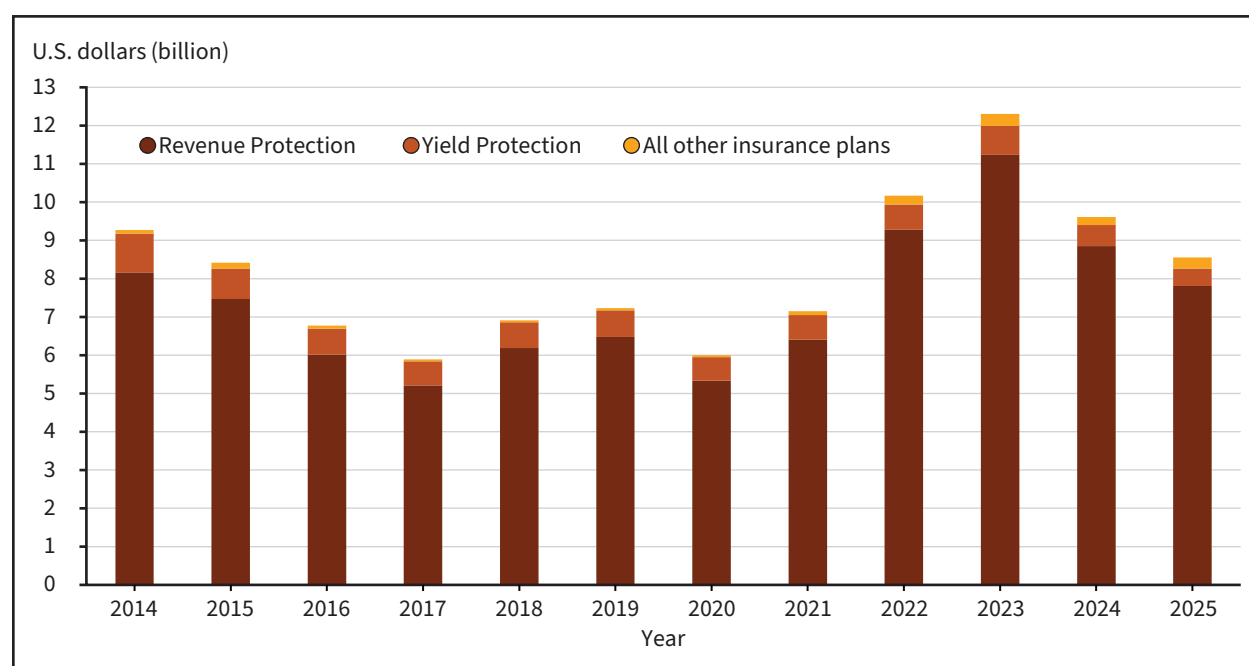
²⁰ Even within these categories there are additional types of policies. For example, potentially relevant to wheat producers, one type of individual-based policy is Whole Farm Revenue Protection (WFRP), through which producers can insure up to \$17 million in revenue for all commodities produced on the farm under one policy.

or a reduction in production quantity. Additionally, area or index-based policies also offer the option for margin protection in some counties. These policies offer coverage against a decline in operating margin, defined as revenue minus input costs, contingent on the availability of accurate data to track input prices. Producers electing individual-based policies can elect to insure 50–85 percent (in 5 percent increments) of the producers’ expected yield or revenue.²¹ Supplemental policies and endorsements such as Supplemental Coverage Option (SCO) and Enhanced Coverage Option (ECO) are also available for wheat producers, but these policies covered less than 10 percent of wheat acres in 2024.

Figure 13 shows that FCIP business in terms of insured liability for wheat from 2014 to 2025 is dominated by revenue protection, followed by yield protection and then all other insurance plans. The predominance of individual revenue plans reflects a strategic choice by producers to protect against revenue losses, which can result from both yield and price fluctuations.

Figure 13

U.S. Federal Crop Insurance Program total liability for wheat by insurance plan type, 2014–25



Note: All other insurance plans includes Revenue Protection with Harvest Price Exclusion (RPHPE), Actual Production History (APH), Area Revenue Protection (ARP), Area Revenue Protection-Harvest Price Exclusion (ARP-HPE), Area Yield Protection (AYP), Supplemental Coverage Option-Revenue Protection (SCO-RP), Supplemental Coverage Option-Revenue Protection with Harvest Price Exclusion (SCO-RPHPE), Supplemental Coverage Option-Yield Protection (SCO-YP), Margin Protection (MP), Margin Protection With Harvest Price Option (MP-HPO), Hurricane Insurance Protection-Wind Index (HIP-WI), Enhanced Coverage Option-Revenue Protection (ECO-RP), Enhanced Coverage Option-Revenue Protection with Harvest Price Exclusion (ECO-RPHPE), and Enhanced Coverage Option-Yield Protection (ECO-YP).

Source: USDA, Economic Research Service, using data from USDA, Risk Management Agency Summary of Business as of February 2, 2026.

The 2025 OBBBA made several changes to FCIP which expanded coverage options and lowered the cost to producers of purchasing certain policies by raising Government support. The bill raised premium support levels by 3–5 percentage points across coverage levels from 55 percent to 85 percent. It also raised premium support for SCO policies from an initial level of 65 percent to 80 percent, reducing the cost of this supplemental, area-based coverage for producers. In addition to

²¹ All coverage level choices are not universally offered. Available coverage levels are dependent on the crop being insured and the county where production is taking place.

raising premium support for SCO, OBBBA also raised the coverage level for SCO from 86 percent to 90 percent. Finally, OBBBA removes the restriction that producers must elect PLC in order to purchase an SCO policy—producers may now enroll in either ARC or PLC and also purchase SCO coverage.

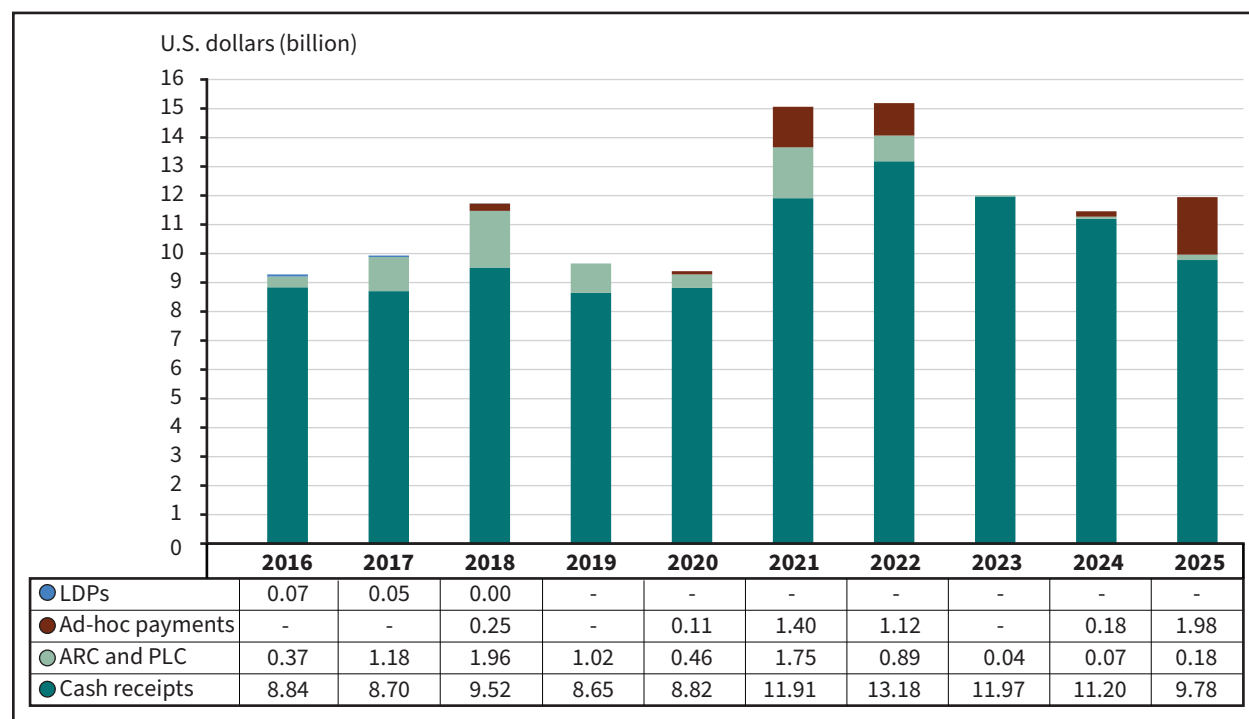
Payments to Wheat Producers and Budget Issues

The U.S. wheat sector receives various forms of Government assistance through farm programs and ad hoc programs that occurred outside the scope of farm legislation (such as the Market Facilitation Program and Coronavirus Food Assistance Program). Figure 14 shows annual support by program for wheat for fiscal years 2016 to 2025 (including ad hoc programs).

Direct payments for wheat, which include payments to ARC, PLC, and loan deficiency payments peaked in fiscal year 2018 at \$2.0 billion dollars, with the majority of those payments coming through PLC. Direct payments fell to just \$38 million in fiscal year 2023 as higher prices in program years 2021 and 2022 pushed payments lower (figure 14). The same low-price environment from 2016 that triggered payments from ARC and PLC resulted in \$74 million in loan deficiency payments in fiscal year 2016 and another \$52 million in fiscal year 2017.

Figure 14

Cash receipts and selected Government payments for wheat, 2016–25



Note: Cash receipts are reported on a calendar year basis, while government payments are all on a fiscal year basis. Payments from ad hoc programs are reported in the fiscal year when the bulk of program payments were received. “ARC and PLC” include ARC-IC, ARC-CO, and PLC payments. “Ad-hoc payments” include payments from the Coronavirus Food Assistance Program 1 and 2, the Market Facilitation Program, the Emergency Relief Program, the 2022 Emergency Relief Program, the Emergency Commodity Assistance Program, and the Supplemental Disaster Relief Program. “LDPs” include payments received through the Loan Deficiency Payment program. As of March 11, 2026.

Source: USDA, Economic Research Service (ERS) calculations based on USDA, Office of Budget and Program Analysis; USDA, Farm Service Agency (FSA), Emergency Relief Program (ERP) Dashboard 2020 and 2021; USDA, FSA, Emergency Relief Program (ERP) Dashboard 2022; USDA, FSA, Emergency Commodity Assistance Program (ECAP) Dashboard; USDA, FSA, Supplemental Disaster Relief Program (SDRP) Dashboard; USDA, Office of Budget and Program Analysis, USDA Explanatory Notes–Commodity Credit Corporation, multiple years; USDA, ERS, Farm Income and Wealth Statistics.

Wheat producers have also benefited from a series of temporary supplemental assistance programs authorized outside of the Farm Bill.²² In fiscal year 2018, wheat farmers received a total of \$250 million in payments through the Market Facilitation Program, which compensated producers impacted by retaliatory tariffs. From 2020 to 2022, wheat producers who were impacted by pandemic-related market disruptions received payments through the Coronavirus Food Assistance Program, with the bulk of those payments being received in 2021 (\$1.40 billion out of a total of \$1.52 billion) (figure 14).²³ The Emergency Relief Program and Emergency Relief Program 2022 also provided assistance to wheat producers for losses suffered due to wildfires, drought, hurricanes, winter storms, and other eligible disasters, with producers receiving payments totaling \$1.1 billion in 2022 from ERP and \$182 million in 2024 from ERP 2022.

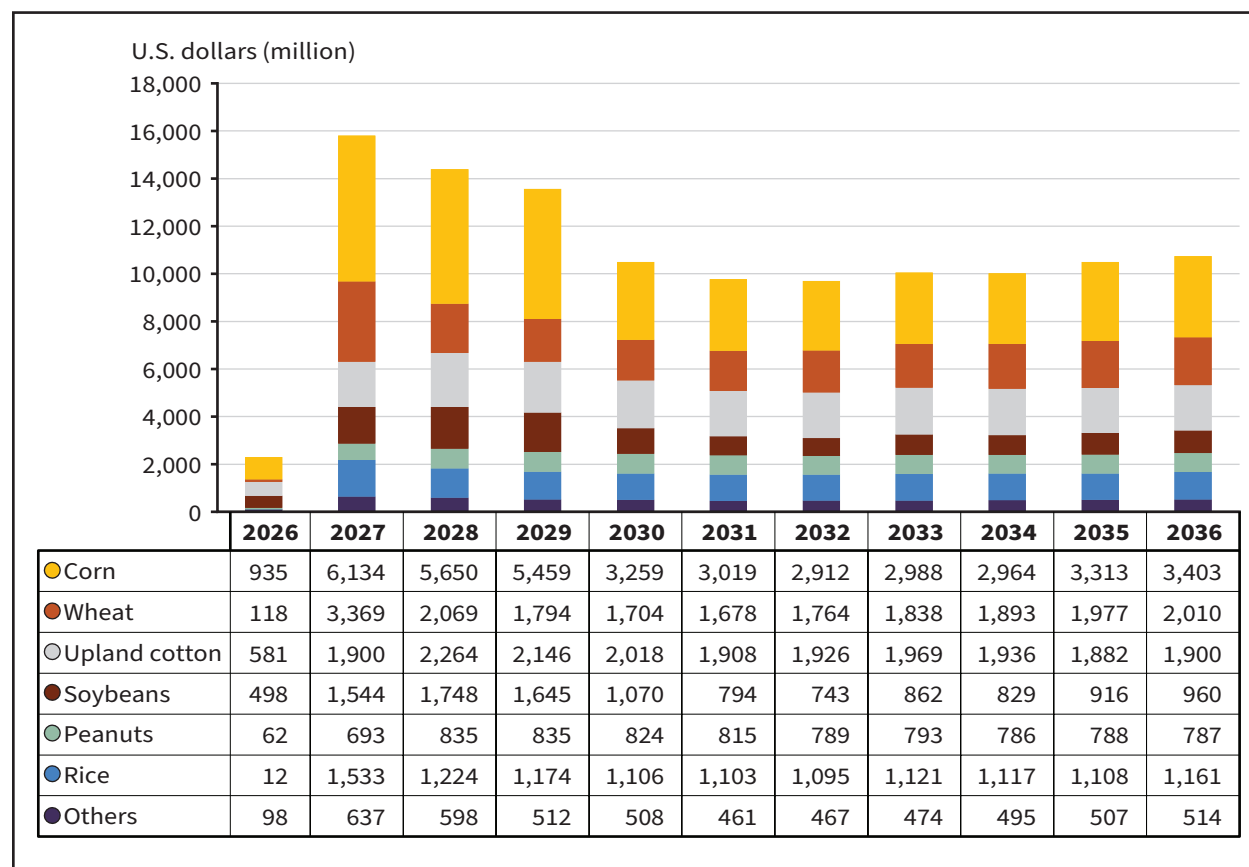
In March 2025, USDA announced the Emergency Commodity Assistance Program (ECAP) for producers of eligible commodities for the 2024 crop year, as authorized in the American Relief Act, 2025 (ARA; Pub. L. 118-158) (USDA, 2025). The ARA authorized up to \$10 billion in payments. Payment rates for wheat producers were established at \$30.69 per acre, with USDA, Farm Service Agency (FSA) reporting that \$1.3 billion was disbursed for wheat producers under ECAP as of March 2026 (USDA, FSA, 2026a). Then in July 2025, USDA launched the Supplemental Disaster Relief Program (SDRP), which provided assistance to eligible producers for losses experienced due to certain natural hazards occurring in calendar years 2023 and 2024 (USDA, 2025). USDA estimated that SDRP will use approximately \$16.1 billion of the authorized \$30.8 billion contained in the ARA for disaster assistance purposes. Under the first phase of SDRP, \$721 million in assistance was disbursed for wheat as of March 2026 (USDA, FSA, 2026b). Finally, in December 2025, USDA announced that it would make available \$11 billion to producers of certain row crops (including wheat) under the Farmer Bridge Assistance (FBA) Program, with payments anticipated early in 2026.

Looking ahead, the Congressional Budget Office's February 2026 projection of Title I Farm Bill expenditures through 2036 (under 2025 OBBBA parameters) showed that total spending through ARC, PLC, and marketing loan benefits were projected to average \$10.7 billion for all crops between 2026 and 2036, with wheat ranking third in total payments (averaging \$1.8 billion), accounting for 17 percent of all crop outlays under these programs (figure 15) (Congressional Budget Office, 2026).

²² For more information on recent developments in ad hoc assistance programs, see Baldwin et al. (2024).

²³ Although not considered direct Government payments, crop insurance subsidies for wheat producers represent a somewhat larger Government expenditure relative to Title I crop payments, averaging \$1.01 billion from 2021 to 2025.

Figure 15

Projected program payment summary by crop, 2026–36

Note: Programs include Price Loss Coverage, Agriculture Risk Coverage-County, and total marketing loan benefits. Others is comprised of sorghum, barley, oats, other oilseeds, wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.

Source: USDA, Economic Research Service using the Congressional Budget Office February 2026 Baseline for USDA Mandatory Farm Programs.

These projections were made after the passage of OBBBA, which increased loan rates and reference prices, and authorized the addition of up to 30 million new base acres (as discussed earlier). For the 2026–36 period, the Congressional Budget Office projects total payments for all commodities will reach \$94.6 billion under PLC, \$18.6 billion under ARC, and \$3.8 billion for marketing assistance loans.

Conclusion: Issues for Future Farm Legislation

OBBBA increases the potential for Government payments to the wheat sector (e.g., wheat farmers, land owners, agricultural lenders, and agricultural input suppliers). The changes made in OBBBA are expected to increase expenditures due to higher loan rates and effective reference prices, as well as the potential addition of up to 30 million new base acres and higher support and indemnity coverage levels on crop insurance.

Most farm income for wheat and other producers are still projected to come from market receipts, but changes to the safety net from the enhanced provisions for Title I and Title XI programs under OBBBA provide additional opportunities for increased income and support. With much of Title I and Title XI included in OBBBA, future farm legislation impacting wheat producers may focus on changes to conservation programs, farm loan programs, organic production, and updates to other provisions.

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