

Field Notes: AgriPolicy Brief

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Indigenous Farm Hub
Albuquerque, NM
Photo Credit Alan Bruaer

USDA Reorganization

In a memorandum dated July 24th, USDA Secretary Rollins announced that approximately 2,600 of 4,600 USDA employees in Washington, D.C. will be relocated to five new regional "hubs" across the country: Raleigh, NC; Kansas City, MO; Indianapolis, IN; Fort Collins, CO; and Salt Lake City, UT. This follows the departure of 15,364 USDA employees who took voluntary buyouts this year, drastically reducing the Department's workforce and institutional knowledge.

During the 2019 relocation within the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA), the Government Accountability Office (GAO) found a loss of experienced staff, diminished productivity, and delayed reporting and grant processing. The relocation furthermore had poor planning, organizational structure, workforce training, and minimal involvement of employees, Congress, and other key stakeholders. From 2019 to 2020, the ERS and NIFA workforces were almost entirely replaced due to staff choosing not to relocate. This loss of experienced staff resulted in the agencies losing decades of critical experience and institutional knowledge. This disruption was exacerbated by the 2019 plans' loose organizational structure and failure to follow leading practices for workforce planning, training, and diversity management.

The Secretary's memorandum outlines a "Department of Agriculture Reorganization Plan" across all 29 USDA agencies, including the Natural Resource Conservation Service (NRCS) and Farm Service Agency (FSA) headquarters, as a "consolidation, unification, and optimization of functions within USDA to achieve improved effectiveness and accountability, enhanced services, reduced bureaucracy, and cost savings for the American people." This echoes the language used to justify the previous 2019 relocation.

Farmers across the country rely heavily on the USDA's support, including financial assistance, disaster recovery, access to expertise, crop insurance, technical guidance, and market access. USDA services are indispensable to rural America, delivering critical support for infrastructure, housing, economic development, and essential community services. If this reorganization results in a functional freeze on USDA's basic functions, as happened with the ERS and NIFA, there may be dramatic consequences for American communities, threatening rural livelihoods and national food security.

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Indian Pueblo Entrepreneurial Center
Albuquerque, NM
Photo Credit Bill Stimmel



Dairy Programs in the Farm Bill

If Congress fails to enact a new Farm Bill or extend the current one before January 1, 2026, outdated “permanent laws” from the 1938 and 1949 farm bills could trigger parity pricing for milk, causing significant price shocks for dairy farmers, processors, and consumers.

Parity pricing was designed to ensure that prices farmers received for their commodities were adjusted to inflation. If the Agricultural Act of 1949 is reenacted, the USDA would be required to support milk prices at a level between 75% and 90% of the parity price. This is a stark contrast to modern dairy policies, such as the Dairy Margin Coverage (DMC) program from the 2018 Farm Bill, which provides payments to farmers when the margin between milk prices and feed costs falls below a certain level.

In recent years, the actual price farmers receive for their milk has been a small fraction of the parity price. As of late 2024, farmers were receiving closer to \$23.60 per hundredweight (cwt) for milk; however, the parity price for milk was reported to be as high as \$65.40 per cwt. If a new Farm Bill or an extension isn't passed, then a sudden, dramatic jump in milk prices, or a “dairy cliff,” would occur as the USDA supports milk prices at 75% to 90% of this parity price.

New Mexico’s dairy producers contribute over \$1.4 billion to the states local economy. With the implementation of “parity”, this sizable impact would be impacted. Dairy processors would be required to pay farmers a much higher price for their raw milk, and those costs would inevitably be passed on to consumers of milk, cheese, butter, yogurt, and other dairy products. In 2023, New Mexico was the fourth leading state in cheese production, and while a higher milk price may temporarily benefit dairy farmers, the impact could lead to market disruption, inflated prices, and milk surpluses.

La Cosecha/ Agri-Cultura Cooperative Network
Albuquerque, NM
Photo by Helga Garcia-Garza

Agricultural Appropriations

On June 23, 2025, the House Appropriations Committee met to consider H.R. 4121, or the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2026*. The Committee approved the bill 35 to 27.

On July 10, 2025, the Senate Committee on Appropriations approved the *S.2256 Fiscal Year (FY) 2026 Agriculture, Rural Development, Food and Drug Administration (FDA), and Related Agencies Appropriations Act* by a unanimous vote of 27-0.

In the House version of the bill, several programs received sizeable cuts in the name of “fiscal responsibility”:

- Value-Added Producer Grant program - 56% of programs cut
- Conservation Technical Assistance - 9% of programs cut
- Sustainable Agriculture Research and Education program – 16% of programs cut
- Office of Urban Agriculture and Innovative Production - 100% of programs cut
- Grazing Lands Conservation Initiative – 100% of programs cut

New Mexico farmers, ranchers and communities benefit from all of USDA's conservation, rural development, and urban agriculture programs.

We will continue to provide updates as the bills advance through both chambers of the legislature.



Changes to Payment Limitation in the “One Big Beautiful Bill”

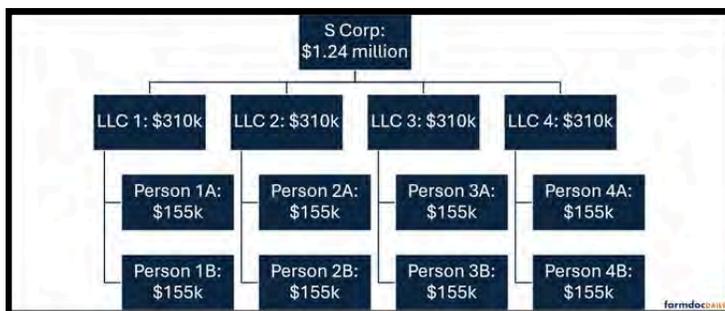
H.R. 1, or the “One Big Beautiful Bill,” redefines the FSA’s payment limitation policy for commodity programs, which are sometimes referred to as crop subsidies. Payment limitations were increased from \$125,000 to \$155,000 per eligible member within an LLC or corporation under H.R. 1, whereas previously, LLCs and corporations received a single payment limitation for the entire organization. Furthermore, H.R. 1 modified the eligibility policy, leading to the creation of a “qualified passthrough entity,” a new classification by Congress that expands what types of businesses that are eligible for additional payment limitations. The graphic below outlines potential impacts from these changes through two payment limitation scenarios: (i) a farmer and spouse; or (ii) a farmer, spouse, and an extended family member (nephew). As demonstrated, under H.R. 1, a family farming operation with more members could now see increased benefits.

Example of Payment Limitations for Family Farms



The next graphic demonstrates how large corporations with intricate operating structures could gain significantly more payments under H.R. 1. This, in turn, could result in a higher concentration of wealth within rural communities, enabling large operations to acquire more land and resources and leaving small-scale farms with few options but to sell their operations or seek alternative livelihoods. In New Mexico, roughly 95% of farms are family owned and over 80% operate on 1,000 acres or less. Therefore, H.R. 1 may have a significant impact on New Mexicans. When policies disproportionately favor corporate interests, the outcome is predictable: a monocultural landscape where local businesses shut down, rural populations dwindle, and the social networks within these communities unravel.

Example of Payment Limitation for a “Qualified Passthrough Entity”



Ken Armijo, owner of Armijo Farm near Los Lunas with new trellis technology for his blackberry operation

LOCAL FOODS INITIATIVES

In a congressional bipartisan effort to strengthen local food distribution and procurement systems, Senators Jack Reed (D-RI) and Jim Justice (R-WV) introduced the S.2338 "Strengthening Local Food Security Act of 2025." In the House of Representatives, Robert Bresnahan (R-PA-8), David Valadao (R-CA-22), Chellie Pingree (D-ME-1), Josh Riley (D-NY-19), Tony Wied (R-WI-8), Dan Newhouse (R-WA-4), Zachary Nunn (R-IA-3), Nikki Budzinski (D-IL-13), Jim Costa (D-CA-21), Eugene Vindman (D-VA-7), Jimmy Panetta (D-CA-19), and Alma Adams (D-NC-12) introduced H.R. 4782 "Local Farmers Feeding our Communities Act (LFFC) of 2025."

S. 2338 was referred to the Senate Agriculture Committee on July 27th, and H.R. 4782 was referred to the House Committee on Agriculture on July 29th. Both bills authorize the USDA to enter into cooperative agreements with state and tribal governments to promote local food distribution in school and community food assistance programs.

NEW MEXICO FEDERAL STABILIZATION SUBCOMMITTEE

New Mexico State Legislators Rep. Patricia A. Lundstrom and Senator William P. Soules co-chair a new Subcommittee on Federal Funding. In a May 2025 meeting, the committee reviewed federal funds' impact in New Mexico. Most notably, the State was projected to receive \$14.44 billion in fiscal year 2026 to assist in the administration of government programs.

The Subcommittee is dedicated to understanding delays and cancellations of federal funding and determining a plan of action to ensure that New Mexico gets the government services it needs.

The Subcommittee's next meeting is scheduled to take place from October 20-22 in Las Cruces, NM.

Who is your Legislator?

Find your New Mexico State Representatives and Senators here: www.nmlegis.gov

Find your US Representative here: www.house.gov/representative/find-my-representative

Find your US Senators: www.senate.gov/senators/senators-contact.htm

NEW WORLD SCREWORM FLY UPDATES:

New World screwworm (NWS) is a devastating pest. When NWS fly larvae burrow into the flesh of a living animal, they cause serious, often deadly damage to the animal. NWS can infest livestock, pets, wildlife, occasionally birds, and in rare cases, people.

In 2023, NWS detections in Panama exploded from an average of 25 cases per year to more than 6,500 cases in 1 year. Since then, screwworm has been detected in Costa Rica, Nicaragua, Honduras, Guatemala, Belize, El Salvador, and Mexico, north of the biological barrier that's successfully contained this pest to South America for decades.

On July 9, 2025 Secretary Rollins ordered the closure of livestock trade through southern ports of entry.

How to Identify Screwworm:

Adult screwworm flies are about the size of a common housefly (or slightly larger). They have orange eyes, a metallic blue or green body, and three dark stripes along their backs.

Report mammals and birds with the following signs:

- Irritated behavior
- Head shaking
- The smell of decay
- Presence of fly larvae (maggots) in wounds

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