



Ohio Soybean Association Policy Update July 2025

National Policy Updates

Federal Budget Bill – A budget reconciliation bill was signed into law by President Trump on July 4. This bill contains agriculture programs that are typically included in a farm bill, along with other provisions that impact the agriculture community. Below is a summary of those provisions.

- *Agriculture*
 - Update to the soybean reference price at \$10.00 per bushel
 - An effective reference price update from 85% to 88% of the average of the marketing year average price for the most recent 5 crop years
 - Expands access to more affordable crop insurance while making it more responsive to risk
 - Improvements to Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)
 - Doubles funding for the Market Access Program (MAP) and Foreign Market Development (FMD) program
 - Increases funding for agricultural research
 - Increases access to credit for young and beginning farmers
- *Taxes*
 - Increases state tax exemption level to \$15 million per individual, indexed to inflation
 - Preserves the step-up in basis
 - Makes permanent Section 199A Qualified Business Income (QBI) deduction
 - Makes permanent the lower individual tax rates and expanded tax brackets established in the Tax Cuts and Jobs Act
 - Increases Section 179 expensing from \$1 million to \$2.5 million
 - Restores 100% bonus depreciation permanently

45Z Clean Fuel Production Credit – Also included in the reconciliation bill are revisions to 45Z. These revisions extend the 45Z Clean Fuel Production Credit through 2029, including extending transferability for the life of the tax credit. It also implements a North American feedstock ringfence. Importantly for the soybean industry, it removes indirect land use change (ILUC) penalties from agricultural feedstocks for the purpose of calculating 45Z credit rates. The text also included a reduction in value for the Sustainable Aviation Fuel tax credit, decreasing from the current maximum of \$1.75 per gallon to \$1.00 per gallon. Lastly, it establishes an improved Small Agri-Biodiesel



Production Credit. That credit will increase from the \$0.10 included in the 40A tax credit to \$0.20 per gallon for the first 15 million gallons produced for facilities with production capacity not exceeding 60 million gallons annually.

Ohio/Vietnam MoU Signing –

Ohio Soybean Council (OSC) and soybean checkoff signed a Memorandum of Understanding (MoU) with the Ministry of Agriculture and Environment of Vietnam. Ohio Soybean Association staff was present during this event to engage with members of the Vietnam delegation and applauds OSC for their work in signing this agreement. The MoU promotes

trade cooperation between the Ohio soybean industry and Vietnamese partners, including trade missions and promotional events. The Vietnamese group, which included nearly 50 representatives from the livestock, meat, and fertilizer industries, was led by Minister of Agriculture and Environment Do Duc Duy.



Renewable Volume Obligations (RVOs) – The Environmental Protection Agency released its proposed renewable volume obligations (RVOs) for 2026-2027. The proposed RVOs in this “Set 2” draft rule are significantly higher than the 2023-2025 RVOs established several years ago. Biomass-based diesel would receive a 67% volume increase under the proposal, for a total of 5.61 billion gallons. This was above the 5.25-billion-gallon request of the larger biofuel coalition that included ASA, NOPA, RFA, Growth, Clean Fuels, and API. Of note, EPA has stated that moving forward, biomass-based diesel volumes will be shifted from gallons to RINs.

	2025 (final)	2026 (proposed)	2027 (proposed)
D4: BBD (billion gallons)	3.35	5.61	5.86
D5: Advanced (billion RINs)	7.33	9.02	9.46
D6: Ethanol (billion RINs)	15	15	15

Importantly, EPA announced that they plan to reduce the generation of RIN credits by 50% for foreign fuels and fuels made from imported feedstocks (anything outside of the U.S.). EPA notes significant expansion in crush capacity, soybean availability, and increases in domestic fats, oils, and greases. There will likely be legal challenges to this proposal. Top RFS experts in D.C. are not in agreement as to whether EPA has the authority to reduce RIN prices for certain RFS participants. The draft RVO is now in a



public comment period. EPA will hold a public listening session on July 8 and comments are due on the proposal on August 8.

U.S. Vietnam Trade Deal – The U.S. and Vietnam announced a deal on July 2, which would tariff Vietnamese exports to the U.S. at a 20% rate, as opposed to the initial 46% “reciprocal” tariff. Goods deemed to be transshipped, however, will be tarified at a 40% rate in a measure indirectly targeting China, which has rerouted products through Vietnam to get around past U.S. import duties. In exchange, Vietnam agreed to having no tariffs on U.S. imports. How exactly transshipments will be determined has not yet been made clear.

State Policy Updates

State Budget – Governor Mike DeWine has signed the FY 2026-2027 state budget into law. Below is a summary of the agriculture related items we’ve been monitoring, including those we actively engaged in.

Fiscal Analysis:

Agency	Title	Estimate FY 25	FY 26 Final	FY 27 Final
AGR	H2Ohio	60,755,574	53,600,000	53,600,000
DNR	H2Ohio	46,622,268	21,200,000	21,200,000
EPA	H2Ohio	27,538,157	7,500,000	7,500,000
BOR	Ohio State Agricultural Research	38,284,000	37,169,000	37,169,000
BOR	Central State Agricultural Research and Development	5,828,000	5,828,000	5,828,000
BOR	The Ohio State University Extension Service	26,269,000	25,504,000	25,504,000
DEV	Ohio-Israel Agricultural Initiative	250,000	500,000	500,000
DOT	Ohio Maritime Assistance Program	0	5,000,000	5,000,000
AGR	Poultry Inspection (HPAI Funding)	954,000	1,597,500	1,619,500
AGR	Livestock Show & Sale Fund	0	0	0
AGR	Agriculture 5th Quarter	0	250,00	250,00
BOR	The Ohio State University College of Veterinary Medicine Supplement	5,304,000	15,000,000	15,000,000



Policy Analysis:

1. Pesticide Law Changes

- Current law allows an immediate family member or subordinate employee to apply general-use and restricted pesticides under the supervision of a licensed pesticide applicator. The budget includes changes that remove this ability and will **require anyone applying pesticides to be certified**. The bill also **expands requirements for licensure to include various pre-application actions**.
- The Ohio Department of Agriculture (ODA) must implement minimum standards as required by the US EPA to retain its delegated authority to regulate pesticides in this state. ODA proposed these changes in an attempt to comply with changes to federal law made in 2017. Unfortunately, the provisions go farther than the federal law requires, potentially subjecting thousands of Ohioans to an unnecessary licensing requirement. **In particular, the federal changes did not require states to eliminate the ability for non-licensed family members and workers to apply under supervision of a license holder.**
- OSA engaged on this issue during the budget process. There were multiple conversations between ag groups, legislators and the department. However, the final language accepted in the conference report did not solve the issue of supervised application. OSA signed on to a veto request letter sent to Gov. DeWine along with Ohio Farm Bureau, Ohio Corn and Wheat, and the Ohio AgriBusiness Association. However, **Gov. DeWine did not veto this provision**. OSA plans to look for a legislative solution in the fall legislative session.

2. Eminent Domain & Recreational Trails

- Included in the House version was language that would, with limited exceptions, prevent state and local governments from using eminent domain to obtain property for the construction of recreational trails.
- This language stayed the same in the Senate and conference committee versions of the bill. It was then vetoed by Gov. DeWine.

3. H2Ohio Fund for Land or Conservation Easement Purchases

- This item would have prohibited the Ohio Department of Natural Resources (ODNR) from using H2Ohio funds to purchase land or conservation easements.
- This language was included in the House, Senate, and conference committee versions of the bill. It was then vetoed by Gov. DeWine.

5. Sales and Use Tax Exemption



- The final version of the bill reinstates the sales and use tax exemption for agricultural land tile and portable grain bins which had been proposed to be removed from law in an earlier senate amendment.

H2Ohio Farm Tour – Ohio Soybean Association joined Ohio legislators and the Ohio Agriculture Conservation Initiative (OACI) on a farm tour this month, to hear firsthand how local farmers are leading the way in conservation and protecting water quality. The tour highlighted three Northwest Ohio farms implementing science-based conservation practices and demonstrated the real-world impact of the H2Ohio program. More than 30 tour participants witnessed a variety of conservation strategies in action, including cover crops, no-till and strip-till systems, two-stage ditches, land buffers and advanced manure management.



OSA Hometown Tours – Join us this summer for the Ohio Soybean Hometown Tour! Explore the latest in soybean checkoff research, discover innovative soy-based bioproducts, and take part in engaging policy discussions. With behind-the-scenes insights and interactive sessions, this tour offers a unique opportunity to connect with fellow farmers, industry experts, and leaders shaping the future of soy. CCAs, CPAGs, CPSSs, and CPSCs who attend are eligible to receive 1 CEU credit. Visit [this link](#) to register!

Agriculture Appreciation Act – H.B. 65, the Agriculture Appreciation Act, was delivered to the Governor to be signed into law this month. The act proposes the following official designations:

- The first week of October as “Ohio Stormwater Awareness Week”;
- March 21 as “Agriculture Day”;
- The week beginning on the Saturday before the last Saturday of each February through the last Saturday in February as “FFA Week”;
- October 12 as “Farmer’s Day”;
- The week ending with the second Saturday of March as “4-H Week”;
- The first full week of August as “National Farmers Market Week”; and
- The second full week of November as “Ohio Soil Health Week,” to celebrate and raise awareness for the importance of soil health to Ohio agriculture and in honor of the birthday of soil pioneer and advocate David Brandt.