

# American Relief Act 2025

**Economic Assistance & Disaster Aid Payments For Farmers**



Mark Dikeman  
KFMA Executive Director



Robin Reid  
Extension Farm Economist



Dr. Jenny Ifft  
Associate Professor

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Overview of the American Relief Act

- 2018 Farm Bill
  - Extended one more year (Sept. 30<sup>th</sup>, 2025)
- Economic Assistance Payments for Farmers (\$10 Billion)
- Disaster Relief for Agriculture (~\$21 Billion)

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Economic Assistance Payments – Eligible Commodities

CORN

SOYBEANS

WHEAT

GRAIN SORGHUM

BARLEY

CANOLA

COTTON

OATS

SUNFLOWER

RICE

PEANUTS

DRY PEAS

LENTILS

CHICKPEAS

FLAXSEED

MUSTARD SEED

RAPESEED

SAFFLOWER

CRAMBE

SESAME SEED

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Economic Assistance Payments – Eligible Acres

100% of Planted Acres in 2024 of Eligible Commodities  
*(can be for harvest, grazing, haying, silage, or “similar” purposes)*

50% of Prevent Plant acres in 2024 of Eligible Commodities  
*(due to drought, flood, or other natural disaster)*

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

# Economic Assistance Payments - Formulas

Two formulas, pays the higher amount

## 26% of Economic Loss calculation

= (Expected Cost of Production – Expected Gross Return) \* 26%

## 8% Minimum Payment calculation

= (Farm Bill statutory reference prices \* National PLC yield) \* 8%

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

# Economic Loss Calculation- Corn

**Expected Cost of Production**

**\$879.10 per acre**

*(National average from Economic Research Service (ERS))*

**National Average Corn Yield**

**174.54 bushels/ac**

*(NASS Harvested Yield from most recent 10 years (2015-2024))*

**2024-2025 Projected Marketing Year Price**

**\$4.10 per bushel**

*(WASDE projected from December 2024)*

**Expected Revenue**

**\$715.61 per acre**

**\$879.10 - \$715.61 = \$163.49 per acre \* 26% = \$42.51 per acre**

**Payment Rate**

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Minimum Payment - Corn

2014 Farm Bill Reference Price for Corn

\$3.70 per bushel

National Average Price Loss Coverage Yield

143.07 bushels/acre

$$\$3.70 * 143.07 = \$529.36 * 8\% = \$42.35 \text{ per acre}$$

*Since this is lower than the economic loss calculation it would not be used*

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Economic Assistance Payment Rate Estimates

Crop	26% Economic Loss Calculation						8% Minimum Payment Calculation			Higher of two Formulas
	2015-2024 Nat. Avg. Yield	MYA Price	Revenue	COP Forecast	Economic Loss/Acre	Estimated Payment/Acre	Ref Price	PLC nat ave yield	Estimated Payment/Acre	
Barley	73.35	\$6.60	\$484.11	\$472.01	\$12.10	\$0.00	\$4.95	54.96	\$21.76	\$21.76
Canola	Can be determined by USDA						\$0.20	1,659.87	\$26.76	\$26.76
Corn	174.54	\$4.10	\$715.61	\$879.10	-\$163.49	\$42.51	\$3.70	143.07	\$42.35	\$42.51
Cotton	857.20	\$0.66	\$565.75	\$894.56	-\$328.81	\$85.49	\$0.37	1,827.89	\$53.67	\$85.49
Oats	66.41	\$3.40	\$225.79	\$524.48	-\$298.69	\$77.66	\$2.40	52.11	\$10.01	\$77.66
Sorghum	66.68	\$4.10	\$273.39	\$437.14	-\$163.75	\$42.58	\$3.95	63.83	\$20.17	\$42.58
Soybeans	50.18	\$10.20	\$511.84	\$625.29	-\$113.45	\$29.50	\$8.40	40.87	\$27.46	\$29.50
Sunflower	Can be determined by USDA						\$0.20	1,450.40	\$23.38	\$23.38
Wheat	48.24	\$5.60	\$270.14	\$388.19	-\$118.05	\$30.69	\$5.50	41.79	\$18.39	\$30.69

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Economic Assistance Payment Estimates

	Payment Level	Planted Acres	Prevent Plant Acres	Applicable Acres	Total Payment for Commodity
Corn	\$42.51	500	-	500	\$21,255
Grain Sorghum	\$42.58	500	-	500	\$21,290
Soybeans	\$29.50	500	-	500	\$14,750
Wheat	\$30.69	500	-	500	\$15,345
<b>TOTAL</b>		<b>2000</b>	<b>0</b>	<b>2,000</b>	<b>\$36.32 per planted acre</b>

This producer calculator is available at: <https://agmanager.info/ag-policy/2025-economic-assistance>

## Economic Assistance Payments – Payment Limitations

- Separate Payment limit from other USDA programs
  - \$125,000 if < 75% average income from farming/ranching
  - \$250,000 if > 75% average income from farming/ranching
  - "Average gross income" for 2020, 2021, 2022 tax years
- Some uncertainty regarding payment limit calculations
  - Similar calculation for Coronavirus Food Assistance Program (CFAP) and Emergency Relief Program (ERP)?

## Economic Assistance Payments – Payment Limitations

- FSA handbook defines "Average farm AGI" as income from:
  - Schedule F
  - Production of livestock (including gain from the sale of breeding livestock)
  - Feeding or finishing of livestock
  - Products produced or derived from livestock
  - Production of crops
  - Gain from the sale of farmland
  - Rental or lease of land or equipment used from farming
  - Wages from "closely held" farming corporation
  - *Gain from the sale of equipment used in farming **if** average farm AGI is **at least** 66.66% of average AGI*

## Economic Assistance Payments – Payment Limitations

- Payment limitations for entities can be complicated
- Limited liability entities (LLCs, S-corp., C-corp., etc.) receive "one" payment limitation at the entity level
- General partnerships can *potentially* receive one payment limitation for each partner

## Economic Assistance Payments – Payment Limitations

- Example\*:

	Net Farm Income	Gain from Machinery Sales	Total AGI
2020	69,701	25,000	94,701
2021	(25,000)	75,000	50,000
2022	(75,000)	125,000	50,000
Average	(10,100)	75,000	64,900

### Percent average gross income

- Excluding machinery gain = -15.56% (does not qualify for extended payment limit)
- Including machinery gain = 100% (qualifies for extended payment limit)

\* based on calculations from prior programs with similar limits

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

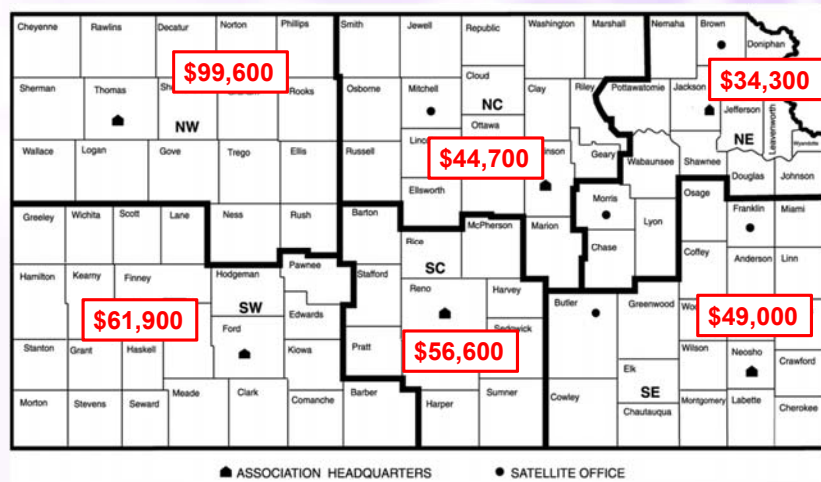
## Economic Assistance Payments – Payment Limitations

- Corn-soybean operations likely reach one payment limitation at about 3,500 acres
- Wheat-grain sorghum-soybean operations likely reach one payment limitation at about 3,600-3,700 acres
- 2023 KFMA average farm = approximately \$50,500 (including double crop acres)

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

# KFMA Association Examples



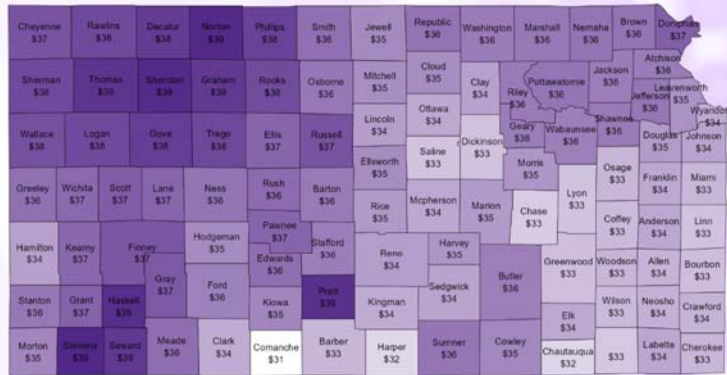
# Economic Assistance Payments – Timeline

Must be paid within 90 days of the Act

December 21st, 2024 = March 24th, 2025



# Estimated average payments per acre



# Tool: Commodity Specific Estimated Total Payouts and Eligible Ares

Visit: <https://agmanager.info/ag-policy/2025-economic-assistance>

Scroll over each county for county-specific estimated eligible acres and payments.

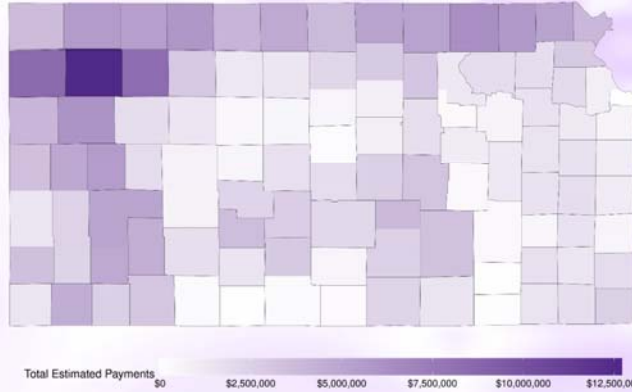
Select Crop:

Display Variable:

# Tool: Commodity Specific Estimated Total Payouts and Eligible Ares

Economic Assistance Payments Authorized by the American Relief Act, 2025 -  
Total Estimated Payments for Corn

Prepared by: Jennifer M. Logan Mast, Joe Pirooni, and Ailee Reach (K-State Agricultural Economics)  
and Alejandro Plastina (University of Missouri Rural and Farm Finance Policy Analysis Center)



**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## Agricultural Disaster Aid (~\$21 billion)

- Covers necessary expenses related to the losses of revenue, quality or production of:
  - Crops
  - Trees, Bushes, Vines
- Due to:
  - **Drought**
  - Excessive heat
  - Wildfire
  - Hurricane
  - Flood
  - Derecho
  - Tornado
  - Winter storm, freeze
  - Smoke exposure
  - Excessive moisture

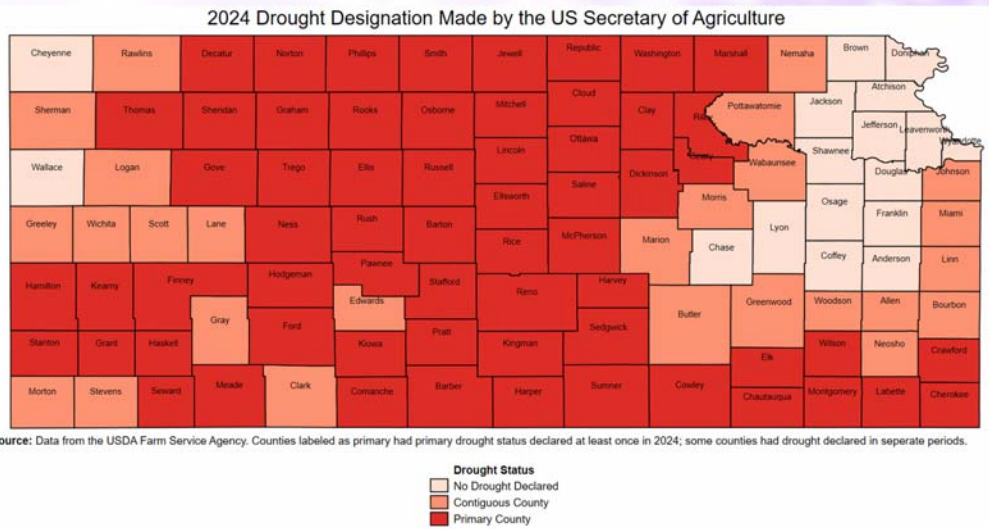
**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

\*Including milk, on-farm stored commodities, crops prevented from planting, and harvested adulterated wine grapes

## Details

- Maximum of 90% losses covered for producers with Crop Insurance or NAP, 70% otherwise
- \$2 billion must be used for livestock
- If uninsured losses are only a “de minimis” percentage of producer’s overall revenue losses, the USDA may allow payments up to 90% of total loss
- USDA may provide the disaster aid through block grants, allowing compensation for timber, citrus, pecan, poultry (incl. infrastructure) and losses due to the failure of Mexico to deliver water to the U.S. in accordance with the 1944 water treaty
- \$220 million in block grants for 8 small states; \$3 million for molasses testing at points of entry



Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.



## 2023 - Corn

These maps show the ratio of RMA-reported actual to expected corn yield in 2023. Purple-colored counties had lower yields than expected, while white counties had higher yields than expected.

For example, 25% indicates actual yields were 25% higher than expected. -25% indicates that actual yields were 25% lower than expected.

In some cases, irrigation practice data is combined or replaced when insufficient data is available.

Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know about the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.

Ratio of USDA RMA Actual to Expected Corn Yields  
Kansas Counties, 2023



## 2023 - Milo

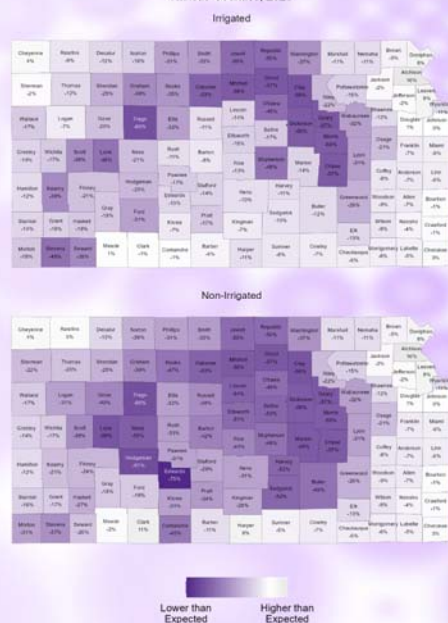
These maps show the ratio of RMA-reported actual to expected grain sorghum yield in 2023. Purple-colored counties had lower yields than expected, while white counties had higher yields than expected.

For example, 25% indicates actual yields were 25% higher than expected. -25% indicates that actual yields were 25% lower than expected.

In some cases, irrigation practice data is combined or replaced when insufficient data is available.

Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know about the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.

Ratio of USDA RMA Actual to Expected Grain Sorghum Yields  
Kansas Counties, 2023



## 2023 - Soybeans

These maps show the ratio of RMA-reported actual to expected soybeans yield in 2023. Purple-colored counties had lower yields than expected, while white counties had higher yields than expected.

For example, 25% indicates actual yields were 25% higher than expected. -25% indicates that actual yields were 25% lower than expected.

In some cases, irrigation practice data is combined or replaced when insufficient data is available.

Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know about the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.

Ratio of USDA RMA Actual to Expected Soybeans Yields  
Kansas Counties, 2023



## 2023 - Wheat

These maps show the ratio of RMA-reported actual to expected wheat yield in 2023. Purple-colored counties had lower yields than expected, while white counties had higher yields than expected.

For example, 25% indicates actual yields were 25% higher than expected. -25% indicates that actual yields were 25% lower than expected.

In some cases, irrigation practice data is combined or replaced when insufficient data is available.

Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know about the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.

Ratio of USDA RMA Actual to Expected Wheat Yields  
Kansas Counties, 2023



## Parting thoughts

- \$21 billion is twice as much \$\$\$ as ERP 1
- The new administration will make the rules, perhaps after economic assistance payments are dispersed
- KS crop producers in several counties experienced large yield losses / crop insurance payouts in 2023 and 2024
- Many KS counties were officially in drought at some point in 2023 and/or 2024

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

## www.AgManager.info

**KANSAS STATE**  
UNIVERSITY

**KANSAS STATE**  
UNIVERSITY Agricultural Economics

Home About Contributors Events Custom Rates Farm Budgets Tools News WASDE KFMA Programs KSFIRA Sponsors

Sign In Register

AgManager.info Farm Management Crop Insurance Grain Marketing Livestock & Meat Ag Policy

Search

**Grain Basis Maps**  
Basis Levels for Soybeans, Corn, Wheat, and Grain Sorghum

View Maps

**KANSAS STATE**  
UNIVERSITY Agricultural Economics

AgManager.info

Upcoming Events

Kansas Income Tax Institute  
November 13 - 14, 2024  
Lawrence

**KFMA**

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

Mark Dikeman  
KFMA Executive Director  
[dikemanm@ksu.edu](mailto:dikemanm@ksu.edu)  
785-532-0516

Robin Reid  
Extension Farm Economist  
[robinreid@ksu.edu](mailto:robinreid@ksu.edu)  
785-532-0964

Dr. Jenny Ifft  
Associate Professor  
[jiff@ksu.edu](mailto:jiff@ksu.edu)  
785-532-6925