



# Economic Assistance Payments in the American Relief Act of 2025

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The America Relief Act of 2025 passed by Congress and signed into law by the President on December 21, 2024, contained several agricultural-related provisions. Aside from providing funding for government operations through March 14, 2025; the legislation also included disaster recovery funds (\$21 B) for the 2023 and 2024 crop years as well as funds for economic assistance payments (\$10 B) for the 2024 crop year. Perhaps, just as important, the legislation included an extension of the current farm bill through September 30, 2025.

The focus of this report will be on the economic assistant payments for the 2024 crop year. In 2024, producers faced declining market prices and high production costs, impacting their operating margin(s). As a result, the American Relief Act provides economic assistance payments on a per-acre basis paid on both planted acres and 50% of prevent planted acres. The payment rate is a national estimate *per commodity* based on the overall estimate of the expected revenue loss relative to the estimated total cost of production for 2024.

Eligible commodities for this one-time payment include corn, soybeans, wheat, cotton, rice, grain sorghum, barley, oats, peanuts, sunflowers, canola, dry peas, lentil, chickpeas, flaxseed, mustard seed, rapeseed, safflower, sesame seed, and crambe.

The calculations that are needed to determine the economic assistance payment require the calculation of the economic loss in addition to the minimum payment rate, and the effective payment rate per commodity. The economic assistance payment rates for selected commodities are listed in Table 1.

Table 1. Estimated Economic Assistance Payments for Selected Crops

Commodity	Estimated Payment Rate (\$ per acre)
Corn	\$43.80
Soybeans	\$30.61
Wheat	\$31.80
Cotton	\$84.70
Rice*	\$71.37
Grain Sorghum	\$41.85
Oats	\$78.42
Barley*	\$21.76
Peanuts*	\$76.30

*\*denotes that the minimum payment is used to determine the economic assistance payment.*

The payment limits for economic assistance payments are dependent upon the percentage of average gross revenue of the person/legal entity for the 2020, 2021, and 2022 tax years that is derived from farming activities. Per the language of the legislation, the total amount of payments received, directly or

indirectly, by a person/legal entity (except a joint partnership) may not exceed \$125,000 if *less than 75%* of the average gross income from 2020-2022 is derived from farming and \$250,000 if *more than 75%* of the average gross income from 2020-2022 is derived from farming. The payment limits for economic assistance payments are separate from annual payment limitations under any other program.

The legislation called for the economic assistance payments to be distributed no later than 90 days following enactment (or March 21, 2024).

Economic assistance payments contained in this report are estimates based on interpretation of the legislative text. Final payment rates will be subject to USDA rules and interpretation. Estimates that are listed in Table 1 may differ from final payments dispersed by USDA due to rule, proration of available funds, and/or rounding of the data parameters used in program calculations.

#### Estimated Economic Loss Payment Calculation

$[(\text{USDA ERS 2024 Total Production Costs per acre} - (\text{Latest 2024 WASDE Price} * 10\text{-year USDA NASS average yield per acre})) * 26\%]$

#### Minimum Economic Assistance Payment Calculation

$\{(\text{Statutory Reference Price} * \text{National Average PLC Payment Yield per acre}) * 8\%\}$

#### Effective Economic Assistance Payment Calculation

**Higher of** the Economic Loss Payment or the Minimum Economic Assistance Payment

#### Total Payment Calculation

$[\text{The Effective Economic Assistance Payment} * \{\text{Planted acres in 2024} + (50\% * \text{Prevented Planted acres in 2024})\}]$

#### Data Sources:

USDA ERS Cost of Production for 2024

USDA WASDE Report (latest release: December 10, 2024)

USDA NASS 10-year Yield per acre

Statutory Reference Prices contained in the 2018 Farm Bill

USDA FSA Base Acres and National PLC Program Yield



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