

Government Payments for Crop Producers

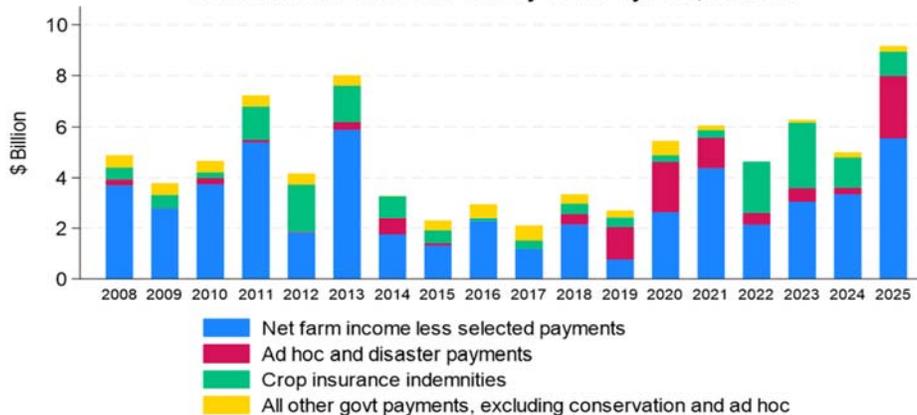


Robin Reid – Extension Farm Economist



Gov. Payments as a Share of Farm Income

Net Farm Income and Safety Net Payouts, Kansas



Data source: USDA Economic Research Service Farm Income and Wealth Statistics, Sept. 2025; 2025 data are forecasts estimated by the Rural and Farm Finance Policy Analysis Center (RAFF) at the University of Missouri

Ad Hoc Programs (American Relief Act)

- Emergency Commodity Assistance Program (ECAP)
 - One-time **economic** assistance payment based on 2024 acres planted
 - Round 1 (85% of the calculated payment) went out this spring, Round 2 (14%) paid in Oct/Nov
 - \$10 Billion authorized, \$9.3 Billion paid out nationally*, Kansas = \$734 million*
- Supplemental Disaster Relief Program (SDRP)
 - Assistance payments because of **natural disaster** related losses for 2023 and 2024 crop years
 - Stage 1: Losses where a crop insurance indemnity was received
 - Stage 2: Shallow losses not triggering an insurance indemnity, quality losses, uncovered losses
 - Could be additional payments as originally factored by 35%, will not know until after enrollment ends April 30th
 - \$16 Billion authorized, \$6 Billion paid out nationally* (SDRP 1 only), Kansas = \$646 million* (SDRP 1 only)
- Emergency Livestock Relief Program (ELRP)
 - "Top-up" to Livestock Forage Disaster Program (LFP) for 2023 and 2024 of 35%, **just announced now 43.2%**
 - To date for Kansas: \$108 million for 2023* and \$19 million for 2024*

“Emergency Payments” in 2025

ECAP – 734 M
SDRP – 646 M
ELRP – 127 M

} Total to date: 1.5 Billion in Kansas

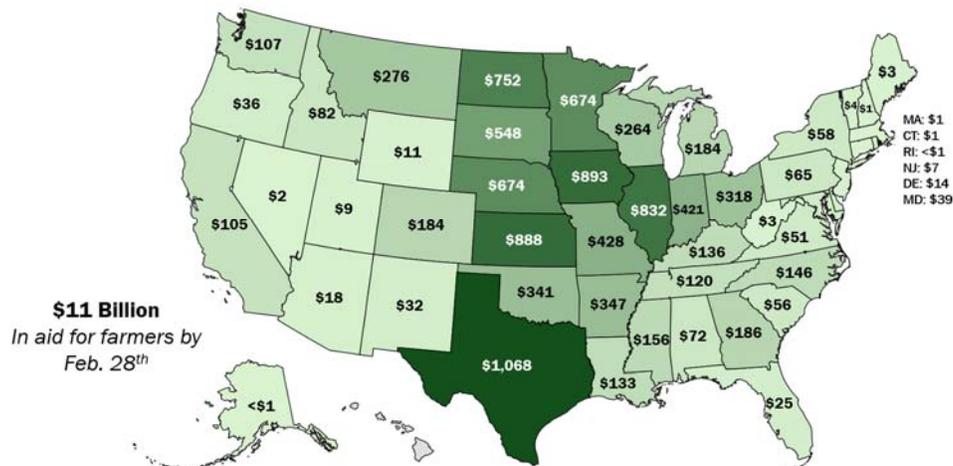
Farmer Bridge Assistance (FBA)

- \$12 billion total, \$11 billion to row crops
- Paid on planted acres from 2025
- Pre-filled application will be provided by FSA, can complete electronically
- Payment limitation of \$155,000

Crop	Corn	Grain Sorghum	Soybeans	Oats	Sunflower	Wheat
Payment rate per 2025 planted acre	\$44.36	\$48.11	\$30.88	\$81.75	\$17.32	\$39.35

POTENTIAL FARMER BRIDGE ASSISTANCE PAYMENTS BY STATE

Estimated Potential Payments For All Eligible Crops By State (Million Dollars)



More assistance coming???

- **Republicans:** Talk of adding \$12-15 Billion in farm aid
- **Democrats:** “The Farm and Family Relief Act”
 - \$17 Billion in farm aid, similar to ECAP

#OBBBA or #OB3

“One Big Beautiful Bill Act”

- Strengthen ARC and PLC
- Strengthen Crop Insurance
- Potential to add base acres
- Change payment limits and eligibility
- Tax changes

Updates to Farm Programs

- New changes will take effect with the 2025 harvested crop
 - Remember those payments will not come until October 2026 (after the completion of the 2025/2026 Marketing Year)
- For the 2025 harvested crop **ONLY**, farmers will receive the higher of the calculated ARC or PLC payment, regardless of what they elected last spring
 - Annual elections will resume for the 2026 crop and beyond
- Base Acres potentially can be added to the farm in 2026 if planted acres exceed base acres in 2019-2023. **Existing base acres will not change.**

Potential to Add Base Acres

The additional acres are automatically allocated to eligible farms, unless the owner requests not to receive additional base acres

5-year average of planted covered commodities from 2019 – 2023

Plus

The lessor of

- **15% of the total acres of the farm** (*defined as cropland minus acres enrolled in a federally funded conservation program that restricts the production of crops other than CRP*)
- **5-year average of acres planted to eligible non-covered commodities** for harvest, grazing, haying, silage, or other similar purposes for the 2019-2023 crop years

Non-Covered Commodity defined as all other commodities excluding tobacco, cannabis, cover crops, CRP, tree, brush, vine, grass, idle or fallow

Potential to Add Base Acres-Example

Example: 50 Total Cropland Acres, 10 base acres currently

2019-2023 Planting History:

- 25 acres planted to a covered commodity each year (corn, soybeans, wheat, milo)
- 25 acres planted to an eligible non-covered commodity (alfalfa, annual forage, etc.)

Additional base allocation = 25 acres

$$\begin{aligned} \text{Lessor of } & \left\{ \begin{array}{l} + 15\% * 50 \text{ total cropland acres (7.5)} \\ + \text{Average non-covered commodity acres (25)} \end{array} \right. \\ & = 32.5 \text{ acres} \end{aligned}$$

Since the farm already has 10 base acres, they could potentially receive 22.5 more

Potential to Add Base Acres

New base acres will be assigned to covered commodities based on their historical plantings 2019-2023

If the farm currently has a PLC program yield for that crop, the new base will also have that program yield. If a new program crop is added, it will receive a PLC yield equal to the county average PLC yield or a yield for a similarly situated farm.

Potential to Add Base Acres

Limitations:

- Total number of base acres cannot exceed the total cropland acres of the farm
- Only 30 million acres can be added nationally, so formula may have an across-the-board pro-rata reduction
- Will take effect with the 2026 harvested crop (payment in Oct. 2027)

New Owners: If the farm was not owned from 2019-2023, planting history of the prior owner will be used

Historical Irrigation Percentage (HIP)

- Used in counties that have a separate irrigated and non-irrigated ARC benchmark
- County irrigation designations will be updated in 2026
- Farm HIP will be recalculated based on 2019-2023 plantings

Price Loss Coverage (PLC)

- Protection against low prices
 - Payments occur when prices fall below reference prices
 - Payments made on base acres and program yields

Example:

Farm XYZ has 100 base acres of corn and 120 bushel program yield
Effective reference price is \$4.42 The MYA Corn price is \$4.00

Corn payment per acre = $(\$4.42 - \$4.00) \times 120 = \$50.40$ per acre

Total corn payment = $\$50.40 \times 100 \text{ base acres} \times 85\% = \$4,284$

Reference Prices - PLC

Crop	Effective Reference Price for 2025 and 2026 Crop	2025/2026 MYA Forecasted Price*	2025/2026 PLC Payment Rate based on MYA forecast** (per bushel)
Corn	\$4.42	\$4.02	\$0.40
Soybeans	\$10.71	\$10.19	\$0.52
Wheat	\$6.35	\$4.95	\$1.40
Grain Sorghum	\$4.67	\$3.38	\$1.29

*KSU estimate: <https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-0>

**Paid on Farm Program Yield and 85% of base acres in that crop

Reference Prices - PLC

Statutory Reference Price – prices set in the language of the bill

Effective Reference Price – formula that can potentially raise reference prices above statutory prices based on previous marketing years

Marketing Year	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
Corn Price	\$3.56	\$4.53	\$6.00	\$6.54	\$4.55

Olympic Average = $(\$4.53 + \$6.00 + \$4.55) / 3$

Effective Reference Price (ERP) = $\$5.02 * 88\% = \4.42

Cannot be lower than new Statutory Reference Price (\$4.10)
Cannot be higher than 115% of \$4.10 (\$4.72)

Reference Prices - PLC

Marketing Year	2025/2026	2026/2027*	2027/2028*	2028/2029*	2029/2030*
Wheat	\$6.35	\$6.35	\$6.35	\$6.35	\$6.35
Corn	\$4.42	\$4.42	\$4.35	\$4.10	\$4.10
Grain Sorghum	\$4.67	\$4.67	\$4.40	\$4.40	\$4.40
Soybeans	\$10.71	\$10.71	\$10.48	\$10.00	\$10.00

* Based on USDA baseline projections for MYA prices

0.5% Annual Escalator starts in 2031, capped at 113% of Statutory Reference Prices

Agricultural Risk Coverage (ARC)

- Revenue protection program
 - Payments are made if per acre revenue falls below **90% of benchmark**
- ARC-County benchmark
 - **5-yr Average of National Price X 5-yr Average of County yield**
- Payment **maximum is 12%** of benchmark revenue

ARC-County Example

- ARC Guarantee: **\$418.30**, ARC Maximum payment: **\$48.64**
- Current Year: **\$3.90** corn price, **64-bushel** county yield
Current year revenue= **\$3.90 x 64 = \$250.00**
- Revenue Loss = **\$418.30 - \$250.00 = \$168.30** per acre
- Payment= **\$48.64 X 100 corn base X 85% = \$4,134.40**

Ag Risk Coverage (ARC)

Crop	2025 Benchmark Price	2025/2026 MYA Forecasted Price*	Max. County Yield to Trigger ARC payment (% of Benchmark Yield)
Corn	\$5.03	\$4.02	113%
Soybeans	\$12.17	\$10.19	107%
Wheat	\$6.98	\$4.95	127%
Grain Sorghum	\$5.30	\$3.38	141%

*KSU estimate: <https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-0>

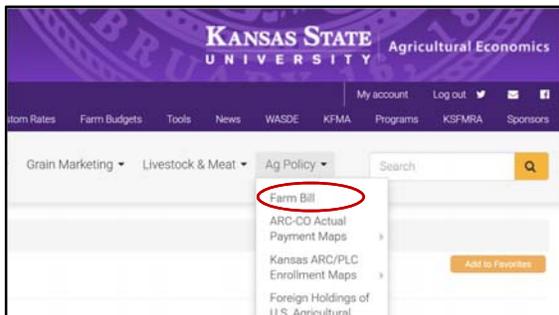


2025/2026 ARC and PLC Example Payouts

Tool available at:

<https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

AgManager.info ➡ Ag Policy ➡ Farm Bill



State:	Kansas		Crop:	Corn		Type:	Nonirrigated				
County:	Riley		ARC	147.70 Bushels		PLC	109.4 Bushels				
5 Yr. Olympic Avg. County Yield	\$5.03		Program Yield	\$4.42							
5 Yr. Olympic Avg. MYA Price	\$742.93		Eff. Reference Price	\$3.74							
Benchmark Revenue	\$668.64		PLC-ARC-CO max @	Yield							
Guaranteed Revenue				121	127	134	141	148	155	163	171
MYA Price	PLC	Payment	ARC Payment								
\$4.78	\$0.00	\$89.15	\$61.58	\$28.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.60	\$0.00	\$89.15	\$84.44	\$52.24	\$20.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.42	\$0.00	\$89.15	\$89.15	\$76.36	\$45.42	\$14.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.24	\$19.69	\$89.15	\$89.15	\$89.15	\$70.80	\$41.12	\$11.44	\$0.00	\$0.00	\$0.00	\$0.00
\$4.07	\$38.28	\$89.15	\$89.15	\$89.15	\$89.15	\$66.28	\$37.79	\$5.23	\$0.00	\$0.00	\$0.00
\$3.91	\$55.78	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$62.59	\$31.31	\$0.03	\$0.00	\$0.00
\$3.75	\$73.27	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$87.39	\$57.39	\$27.39	\$0.00	\$0.00
\$3.60	\$89.68	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$81.84	\$53.04	\$0.00	\$0.00
\$3.46	\$104.99	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$89.15	\$76.98	\$0.00	\$0.00

2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year

State: Kansas
County: Decatur
Crop: Wheat
Type: Nonirrigated

	ARC	Program Yield	PLC
5 Yr. Olympic Avg. County Yield	46.50 Bushels		46.3 Bushels
5 Yr. Olympic Avg. MYA Price	\$6.98	Eff. Reference Price	\$6.35
Benchmark Revenue	\$324.57		
Guaranteed Revenue	\$292.11	PLC > ARC-CO max @	\$5.51

MYA Price	PLC Payment	Yield							
		39	41	43	45	47	49	51	54
		ARC Payment							
\$6.60	\$0.00	\$34.71	\$21.51	\$8.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$6.35	\$0.00	\$38.95	\$31.76	\$19.06	\$6.36	\$0.00	\$0.00	\$0.00	\$0.00
\$6.03	\$14.83	\$38.95	\$38.95	\$32.82	\$20.76	\$8.70	\$0.00	\$0.00	\$0.00
\$5.73	\$28.72	\$38.95	\$38.95	\$38.95	\$34.26	\$22.80	\$11.34	\$0.00	\$0.00
\$5.44	\$42.16	\$38.95	\$38.95	\$38.95	\$38.95	\$36.43	\$25.55	\$14.67	\$0.00
\$5.17	\$54.67	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.78	\$28.44	\$12.93
\$4.91	\$66.72	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$26.97
\$4.66	\$78.30	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95	\$38.95

- Payments in either program
- If MYA price < \$5.51, PLC will pay more
- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year

State: Kansas
County: Finney
Crop: Grain Sorghum
Type: Nonirrigated

	ARC	Program Yield	PLC
5 Yr. Olympic Avg. County Yield	60.26 Bushels		74.4 Bushels
5 Yr. Olympic Avg. MYA Price	\$5.30	Eff. Reference Price	\$4.67
Benchmark Revenue	\$319.38		
Guaranteed Revenue	\$287.44	PLC > ARC-CO max @	\$4.15

MYA Price	PLC Payment	Yield							
		48	51	54	57	60	63	66	69
		ARC Payment							
\$4.86	\$0.00	\$38.33	\$38.33	\$25.00	\$10.42	\$0.00	\$0.00	\$0.00	\$0.00
\$4.67	\$0.00	\$38.33	\$38.33	\$35.26	\$21.25	\$7.24	\$0.00	\$0.00	\$0.00
\$4.20	\$34.95	\$38.33	\$38.33	\$38.33	\$38.33	\$35.44	\$22.84	\$10.24	\$0.00
\$3.91	\$56.52	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$29.38	\$17.65
\$3.64	\$76.60	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$36.28
\$3.39	\$95.19	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33
\$3.15	\$113.04	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33
\$2.93	\$129.40	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33

- Payments from either program
- If MYA price < \$4.15, PLC will pay more
- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year

State: Kansas
County: Nemaha
Crop: Corn
Type: Nonirrigated

	ARC	Program Yield	PLC
5 Yr. Olympic Avg. County Yield	184.05 Bushels		119.0 Bushels
5 Yr. Olympic Avg. MYA Price	\$5.03	Eff. Reference Price	\$4.42
Benchmark Revenue	\$925.77		
Guaranteed Revenue	\$833.19	PLC > ARC-CO max @	\$3.49

MYA Price	PLC Payment	Yield							
		150	158	166	175	184	193	203	213
\$4.60	\$0.00	\$111.09	\$106.39	\$69.59	\$28.19	\$0.00	\$0.00	\$0.00	\$0.00
\$4.42	\$0.00	\$111.09	\$111.09	\$99.47	\$59.69	\$19.91	\$0.00	\$0.00	\$0.00
\$4.20	\$26.19	\$111.09	\$111.09	\$111.09	\$98.19	\$60.39	\$22.59	\$0.00	\$0.00
\$4.07	\$41.66	\$111.09	\$111.09	\$111.09	\$111.09	\$84.31	\$47.68	\$6.98	\$0.00
\$3.95	\$55.95	\$111.09	\$111.09	\$111.09	\$111.09	\$106.39	\$70.84	\$31.34	\$0.00
\$3.83	\$70.23	\$111.09	\$111.09	\$111.09	\$111.09	\$111.09	\$94.00	\$55.70	\$17.40
\$3.72	\$83.33	\$111.09	\$111.09	\$111.09	\$111.09	\$111.09	\$111.09	\$78.03	\$40.83
\$3.61	\$96.42	\$111.09	\$111.09	\$111.09	\$111.09	\$111.09	\$111.09	\$100.36	\$64.26

- Payments from either program unless County Yield is high
ARC payments are very sensitive to County Yield
- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year

State: Kansas
County: Anderson
Crop: Soybeans
Type: Nonirrigated

	ARC	Program Yield	PLC
5 Yr. Olympic Avg. County Yield	35.45 Bushels		29.9 Bushels
5 Yr. Olympic Avg. MYA Price	\$12.17	Eff. Reference Price	\$10.71
Benchmark Revenue	\$431.43		
Guaranteed Revenue	\$388.29	PLC > ARC-CO max @	\$8.98

MYA Price	PLC Payment	Yield							
		28	29	31	33	35	37	39	41
\$11.14	\$0.00	\$51.77	\$51.77	\$42.95	\$20.67	\$0.00	\$0.00	\$0.00	\$0.00
\$10.71	\$0.00	\$51.77	\$51.77	\$51.77	\$34.86	\$13.44	\$0.00	\$0.00	\$0.00
\$10.17	\$16.14	\$51.77	\$51.77	\$51.77	\$51.77	\$32.34	\$12.00	\$0.00	\$0.00
\$9.86	\$25.41	\$51.77	\$51.77	\$51.77	\$51.77	\$43.19	\$23.47	\$3.75	\$0.00
\$9.56	\$34.38	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$34.57	\$15.45	\$0.00
\$9.27	\$43.05	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$45.30	\$26.76	\$8.22
\$8.99	\$51.42	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$37.68	\$19.70
\$8.72	\$59.50	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$51.77	\$48.21	\$30.77

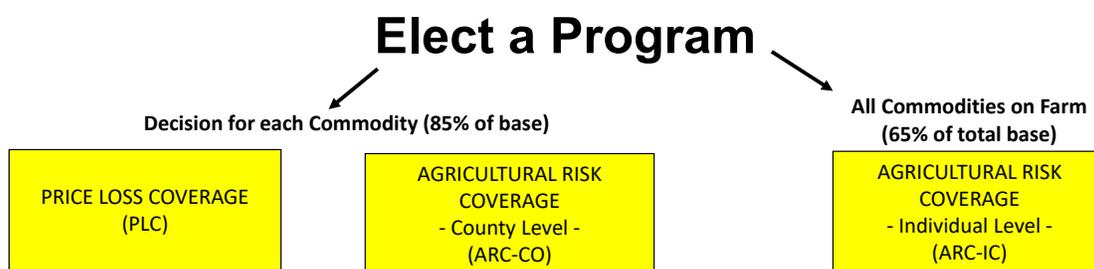
- Payments from either program unless County Yield is high
ARC payments are very sensitive to County Yield
- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



Payment Limitations

- Payment limit is increased from \$125,000 to \$155,000 effective with the 2025 crop year and is adjusted annually for inflation
- Payment limits based on the number of owners and entity structures have changed (previously pass-through entities that limit liability were limited to a single payment limit)
- AGI limitations (still \$900,000) changed to include income from agri-tourism activities, direct-to-consumer marketing of agricultural products, and gain from the sale of agricultural equipment when determining if 75% of average gross income is derived from farming

Decisions to be made for 2026 crop



2026 ARC/PLC election period has not yet been announced. Watch for more information from K-State Ag Econ as election/enrollment begins.

New Farm Bill?

- 2018 Farm Bill extended for another year under the reconciliation bill to end the government shutdown
- House Ag Committee released draft “Food, Farm, and National Security Act of 2026”
 - Reauthorizes CRP through 2031, remains at 27-million acre cap
 - Some enhancements to EQIP & CSP
 - Food for Peace transferred to USDA
 - Increased loans limits through FSA credit programs
 - Eliminate Prop 12 in California

What to watch over the next year

- TRADE
- More Emergency Ad Hoc payments?
- Labor
 - Lowering H2A wage rates and streamlining of the process
- Increase of Biofuel demand- E15
- Screwworm
- USDA Reorganization

Resources

ARC and PLC

<https://www.agmanager.info/ag-policy/farm-bill-0>

OBBBA

Overview: <https://www.agmanager.info/ag-policy/farm-bill-0/frequently-asked-questions-crop-provisions-one-big-beautiful-bill-act>

Tax Changes: <https://www.calt.iastate.edu/post/one-big-beautiful-bill-act-implements-significant-tax-package>

Tracking Ad Hoc Payments made in KS:

ECAP: <https://www.fsa.usda.gov/resources/programs/emergency-commodity-assistance-program/dashboard>

ELRP: <https://www.fsa.usda.gov/resources/programs/emergency-livestock-relief-program-elrp/dashboard>

SDRP: <https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program-sdrp/dashboard>

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