



American Relief Act of 2025: Economic Assistance for Arkansas Crop Producers

Alejandro Plastina

Rural and Farm Finance Policy Analysis Center, University of Missouri

Hunter D. Biram & Ryan Loy

Department of Agricultural Economics and Agribusiness, University of Arkansas

Marc Rosenbohm

Food and Agricultural Policy Research Institute, University of Missouri

January 27, 2025

RaFF Policy Brief 2025-1(3)

Recommended citation format: Plastina, A., H.D. Biram, R. Loy, and M. Rosenbohm. "American Relief Act, 2025: Economic Assistance for Arkansas Crop Producers." *RaFF Policy Brief 2025-1(3)*, Rural and Farm Finance Policy Analysis Center, University of Missouri-Columbia, January 27, 2025. Available at www.RaFF.missouri.edu

This Policy Brief provides preliminary estimates of the disaster relief payments for major crop producers in Arkansas approved by the U.S. Congress on December 20, 2024.

On December 20, 2024, the U.S. Congress approved the American Relief Act, 2025, that extended the keeps the federal government funded through March 14, 2025; extends the 2018 Farm Bill until September 2025; and provides \$10 billion in economic assistance for crop farmers.

Congress mandates the Secretary of Agriculture to provide economic assistance payment to crop producers within 90 days of the date of enactment of this Act. The economic assistance to each person or legal entity by commodity is calculated as the economic assistance per acre multiplied by the number of eligible acres in each crop.

The economic assistance per acre (Table 1) is determined as the higher of:

- (a) 26% of the economic loss in each eligible crop; and
- (b) a minimum payment rate equivalent to 8% of the product of the commodity statutory reference price times the national average Price Loss Coverage (PLC) payment yield.

The economic loss from each crop is determined as the difference between the 2024 expected cost of production per acre published by the USDA Economic Research Service and the 2024 expected gross return per acre. The latter is obtained as the product of the projected 2024/25 marketing year farm price from the December 2024 World Agricultural Supply and Demand Estimates (WASDE) report times the 2015-2024 national average crop yield. For crops without projected marketing years prices available in the WASDE report, similar projected marketing year average prices are used from the USDA Farm Service Agency.



Table 1. Economic Assistance by Eligible Crop.

Crops	Unit	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Projected Avg. Farm Price MY 2024/25 \$/Unit	National Avg. Harvested Yield 2015- 2024 Units/acre	Expected Gross Returns \$/acre	Expected Cost of Production \$/acre	Expected Economic Loss \$/acre	Economic Assistance Rate \$/acre	Reference Price \$/Unit	PLC Yield Units/acre	Minimum Payment Rate \$/acre	Final Payment Rate \$/acre
BARLEY	bushel	\$6.60	73.35	\$484.11	\$472.01	\$0.00	\$0.00	\$4.950	54.96	\$21.76	\$21.76
CORN	bushel	\$4.10	174.54	\$715.61	\$879.10	\$163.49	\$42.51	\$3.700	143.07	\$42.35	\$42.51
COTTON ¹	lb	\$0.66	846.9	\$558.95	\$894.56	\$335.61	\$87.26	\$0.367	1,827.89	\$53.67	\$87.26
OATS	bushel	\$3.40	66.41	\$225.79	\$524.48	\$298.69	\$77.66	\$2.400	52.11	\$10.01	\$77.66
PEANUTS	lbs	\$0.2650	3,891.1	\$1,031.14	\$1,184.95	\$153.81	\$39.99	\$0.2675	3,565.54	\$76.30	\$76.30
RICE ²	cwt	\$15.60	75.34	\$1,175.24	\$1,314.84	\$139.60	\$36.30	\$14.000	62.07	\$69.52	\$69.52
SORGHUM ³	bushel	\$4.10	66.68	\$273.39	\$437.14	\$163.75	\$42.58	\$3.950	63.83	\$20.17	\$42.58
SOYBEANS	bushel	\$10.20	50.18	\$511.84	\$625.29	\$113.45	\$29.50	\$8.400	40.87	\$27.46	\$29.50
WHEAT	bushel	\$5.60	48.24	\$270.14	\$388.19	\$118.05	\$30.69	\$5.500	41.79	\$18.39	\$30.69

Notes:

¹ Cotton: extra-long and upland.

² Rice: long- and medium grain (excluding temperate japonica until final rules become available).

³ Sorghum: grain sorghum.

Sources:

(a) <https://www.fsa.usda.gov/resources/programs/arc-plc/program-data#:~:text=Market%20Year%20Average%20Prices> (December 2024)

(b) <https://quickstats.nass.usda.gov>

(c) = (a) × (b)

(d) <https://www.ers.usda.gov/data-products/commodity-costs-and-returns/commodity-costs-and-returns/#Cost-of-Production%20Forecasts>

(e) = (d) - (c)

(f) = (e) × 26%

(g) <https://www.fsa.usda.gov/documents/2024-erp>

(h) <https://www.fsa.usda.gov/resources/programs/arc-plc/program-data>

(i) = (g) × (h) × 8%

(j) =higher of (f) and (i)



Eligible acres are determined as all planted acres for harvest, grazing, haying, silage, or other similar purposes for the 2024 crop year plus 50% of prevented planted acres in 2024. In this article, we use planted acres (including failed acres) and prevented planted acres published by the Farm Service Agency (FSA) on December 2, 2024, as the basis for the calculation of eligible acres by county.

If less than 75% of average gross income of the person or legal entity for the 2020, 2021, and 2022 tax years is derived from farming, ranching, or silviculture activities, total economic assistance payments are capped at \$125,000. Otherwise, total economic assistance payments are capped at \$250,000. These payment limitations are separate from annual payment limitations under any other program. In this article, and due to aggregated nature of the FSA data, we exclude global payment limitations from our analysis.

Eligible Acres

The projections presented in this section rely on the following intermediate calculations:

- Column (b) in Table 1 is calculated using harvested yields in marketing years 2015/16 through 2024/25 (using the December estimates for 2024/25) published by the National Agricultural Statistics Service (NASS). For cotton, upland cotton yields are used for a consistent comparison to both prices. ELS cotton is assumed to get a payment equal to that of upland cotton.
- For rice, the following types were excluded from all calculations: temperate japonica, cultivated, native, and short grain. All acres in other types of rice are assumed to receive a payment based on the all-rice price, all-rice yield, and all-rice cost of production. For the minimum payment, an all-rice PLC yield (weighted average of types, excluding temperate japonica) and the long grain or medium/short grain statutory reference price is used.
- For corn, only the following types were included in the acreage calculation: yellow; white; grainless forage; purple; blue; red; waxy; high amylase; amylose. The following types were excluded from the calculation: sweet, bicolor; sweet, white; sweet, yellow/golden early or late; tropical; popcorn, strawberry popcorn; ornamental/ calico/ indigenous; corn nuts.
- For sorghum, only grain sorghum for all intended uses was included in the acreage calculation. The following sorghum types were excluded from the calculation: hybrid; hybrid standard plant FR, GR, or SU; sweet; Alnum; Sudex; cane; hybrid interplanting forage.
- For cotton, both upland and extra-long staple cotton types were included in the acreage calculation.
- For all crops, total eligible acres by county and crop were calculated as the direct summation of planted irrigated and non-irrigated acres (including failed acres), plus 50% of the sum of prevented plant irrigated and non-irrigated acres.
- Payment yields associated with the PLC program are calculated using the file titled “Program Year 2024 Average PLC Yield by County” available from the USDA’s FSA 2024 Program Data website. The national average is calculated as the average of the PLC yields by county weighted by the total enrolled base acres (across the PLC and both Agricultural Risk Coverage programs). It is possible that the Secretary may make a slightly different calculation (for example, using total base acres instead of enrolled base acres) so the final number could be different than that used here.

Table 2 shows the eligible acres per crop for each county in Arkansas. The total eligible area for economic assistance within the state amounts to 6 million acres. Soybeans, rice, cotton, and corn



individually account for 51, 26, 11, and 10 percent of all eligible acres, respectively, and for 97 percent collectively.

Table 2. Eligible Acres by Crop in the State of Arkansas.

COUNTY	CORN	COTTON	OATS	PEANUTS	RICE	SORGHUM	SOYBEANS	WHEAT	SUBTOTAL
Arkansas	35,928	-	1,303	-	85,129	35	175,655	1,707	299,757
Ashley	40,263	15,389	742	344	14,938	377	56,346	1,080	129,478
Benton	-	-	-	-	-	-	177	512	689
Boone	93	-	-	-	-	-	-	-	93
Chicot	22,133	18,201	113	-	29,398	325	160,368	2,609	233,147
Clark	1,422	484	-	-	2,588	-	4,309	557	9,360
Clay	24,869	50,035	-	1,285	74,038	137	106,807	1,506	258,677
Cleburne	335	57	-	-	-	-	-	-	392
Conway	2,456	-	-	-	1,600	-	14,984	2,269	21,309
Craighead	36,894	83,396	-	13,357	66,917	93	89,957	1,305	291,920
Crawford	2,143	-	-	-	-	40	12,463	2,235	16,881
Crittenden	13,503	17,850	-	315	51,682	1,494	229,997	8,864	323,705
Cross	23,765	3,166	64	195	87,060	1,170	149,981	1,966	267,368
Desha	14,652	47,029	-	333	34,257	-	127,112	1,834	225,217
Drew	11,340	16,145	86	-	11,879	-	23,487	586	63,524
Faulkner	1,510	-	-	-	3,477	14	6,781	315	12,097
Franklin	659	-	-	-	66	38	1,608	192	2,564
Greene	17,408	5,661	107	2,324	73,563	279	70,730	2,490	172,562
Hempstead	142	-	-	-	-	-	-	-	142
Hot Spring	284	146	-	-	515	-	452	-	1,397
Independence	6,381	523	-	-	14,034	-	23,493	1,189	45,621
Jackson	13,612	3,904	-	-	133,479	153	112,919	4,754	268,822
Jefferson	26,129	14,826	236	-	76,532	44	108,926	4,136	230,829
Johnson	1,075	-	-	-	-	189	2,926	142	4,331
Lafayette	18,397	1,144	-	-	6,263	330	14,967	2,632	43,732
Lawrence	4,814	753	-	166	109,735	400	74,952	1,357	192,177
Lee	34,776	55,218	59	6,333	24,070	1,963	122,181	4,816	249,416
Lincoln	17,879	31,681	-	793	28,436	-	59,309	424	138,523
Little River	11,891	675	-	-	669	222	10,866	457	24,779
Logan	2,152	-	-	-	390	-	5,808	2,356	10,706
Lonoke	29,844	14,548	377	-	88,509	2	102,124	2,151	237,555
Madison	311	-	-	-	-	-	-	-	311
Miller	24,216	7,657	-	-	9,901	620	17,083	1,114	60,591
Mississippi	16,489	106,693	-	9,552	63,401	2,911	255,329	9,475	463,850
Monroe	26,537	18,843	222	-	57,223	1,418	96,563	2,743	203,549
Nevada	-	-	-	-	-	-	130	-	130
Ouachita	5	-	-	-	-	-	-	-	5
Perry	129	-	-	-	1,744	-	1,396	-	3,269
Phillips	27,184	42,993	-	722	41,445	-	215,773	25,076	353,193



COUNTY	CORN	COTTON	OATS	PEANUTS	RICE	SORGHUM	SOYBEANS	WHEAT	SUBTOTAL
Poinsett	19,999	25,698	-	1,438	115,400	46	166,552	3,013	332,146
Pope	564	-	862	-	3,104	273	6,082	1,238	12,123
Prairie	23,660	5,438	121	-	60,703	-	100,781	592	191,294
Pulaski	4,106	553	-	-	4,451	-	18,241	-	27,352
Randolph	1,698	-	-	836	42,432	1,137	35,450	26	81,580
Sebastian	383	-	-	-	-	-	3,741	-	4,124
St. Francis	17,619	30,218	254	5,559	40,541	668	119,932	5,011	219,803
Stone	-	-	-	-	-	-	37	-	37
Washington	199	-	-	-	-	-	357	-	556
White	7,426	14,292	-	-	7,723	331	15,660	1,601	47,033
Woodruff	17,502	11,897	126	-	65,187	564	115,151	2,730	213,158
Yell	2,315	-	407	-	1,542	-	6,769	-	11,032
State Total	607,091	645,115	5,079	43,552	1,534,021	15,272	3,044,715	107,061	6,001,906
% Total	10.1%	10.7%	0.1%	0.7%	25.6%	0.3%	50.7%	1.8%	100.0%

Projected Economic Assistance

Table 3 shows the projected economic assistance based on the final payment rates reported in Table 1 and the eligible acres reported in Table 2. The Arkansas agricultural industry is projected to receive \$286.20 million in economic assistance from the American Relief Act. The economic assistance will be distributed across 8 crops produced in 51 counties. The top five crops receiving assistance in Arkansas are rice, soybeans, cotton, corn, and peanuts accounting for 37%, 31%, 20%, 9%, and 1%, respectively, of the \$286.20 million in total assistance. Wheat, sorghum, and oats, account for 2% of total assistance. The top five counties receiving assistance are Mississippi, Craighead, Poinsett, Phillips, and Clay counties accounting for 8%, 6%, 6%, 5%, and 5% of total assistance, respectively.

Table 3. Economic Assistance by Crop in the State of Arkansas, in thousand dollars

COUNTY	CORN	COTTON	OATS	PEANUTS	RICE	SORGHUM	SOYBEANS	WHEAT	SUBTOTAL
Arkansas	1,527.2	-	101.2	-	5,918.0	1.5	5,181.5	52.4	12,781.7
Ashley	1,711.4	1,342.8	57.6	26.2	1,038.4	16.0	1,662.1	33.1	5,887.8
Benton	-	-	-	-	-	-	5.2	15.7	20.9
Boone	3.9	-	-	-	-	-	-	-	3.9
Chicot	940.8	1,588.2	8.8	-	2,043.6	13.8	4,730.5	80.1	9,405.8
Clark	60.4	42.2	-	-	179.9	-	127.1	17.1	426.8
Clay	1,057.1	4,365.9	-	98.0	5,146.9	5.8	3,150.6	46.2	13,870.6
Cleburne	14.2	5.0	-	-	-	-	-	-	19.2
Conway	104.4	-	-	-	111.2	-	442.0	69.6	727.3
Craighead	1,568.2	7,276.9	-	1,019.2	4,651.9	4.0	2,653.5	40.1	17,213.8
Crawford	91.1	-	-	-	-	1.7	367.6	68.6	529.0
Crittenden	573.9	1,557.5	-	24.1	3,592.8	63.6	6,784.5	272.1	12,868.4
Cross	1,010.2	276.3	5.0	14.9	6,052.2	49.8	4,424.1	60.3	11,892.8
Desha	622.8	4,103.6	-	25.4	2,381.5	-	3,749.5	56.3	10,939.2
Drew	482.0	1,408.8	6.7	-	825.8	-	692.8	18.0	3,434.1
Faulkner	64.2	-	-	-	241.7	0.6	200.0	9.7	516.2



COUNTY	CORN	COTTON	OATS	PEANUTS	RICE	SORGHUM	SOYBEANS	WHEAT	SUBTOTAL
Franklin	28.0	-	-	-	4.6	1.6	47.4	5.9	87.6
Greene	740.0	493.9	8.3	177.3	5,113.9	11.9	2,086.4	76.4	8,708.1
Hempstead	6.0	-	-	-	-	-	-	-	6.0
Hot Spring	12.1	12.8	-	-	35.8	-	13.3	-	74.0
Independence	271.2	45.6	-	-	975.6	-	693.0	36.5	2,022.0
Jackson	578.6	340.7	-	-	9,279.1	6.5	3,330.9	145.9	13,681.7
Jefferson	1,110.7	1,293.7	18.3	-	5,320.3	1.9	3,213.1	126.9	11,084.9
Johnson	45.7	-	-	-	-	8.0	86.3	4.3	144.4
Lafayette	782.0	99.8	-	-	435.4	14.0	441.5	80.8	1,853.5
Lawrence	204.6	65.7	-	12.6	7,628.5	17.0	2,210.9	41.6	10,181.1
Lee	1,478.2	4,818.2	4.5	483.2	1,673.3	83.6	3,604.1	147.8	12,293.0
Lincoln	760.0	2,764.4	-	60.5	1,976.8	-	1,749.5	13.0	7,324.2
Little River	505.4	58.9	-	-	46.5	9.5	320.5	14.0	954.8
Logan	91.5	-	-	-	27.1	-	171.3	72.3	362.2
Lonoke	1,268.6	1,269.4	29.3	-	6,152.9	0.1	3,012.5	66.0	11,798.7
Madison	13.2	-	-	-	-	-	-	-	13.2
Miller	1,029.3	668.1	-	-	688.3	26.4	503.9	34.2	2,950.2
Mississippi	700.9	9,309.8	-	728.8	4,407.5	123.9	7,531.7	290.8	23,093.4
Monroe	1,128.0	1,644.2	17.3	-	3,978.0	60.4	2,848.4	84.2	9,760.4
Nevada	-	-	-	-	-	-	3.8	-	3.8
Ouachita	0.2	-	-	-	-	-	-	-	0.2
Perry	5.5	-	-	-	121.2	-	41.2	-	167.9
Phillips	1,155.5	3,751.5	-	55.1	2,881.1	-	6,364.9	769.6	14,977.7
Poinsett	850.1	2,242.3	-	109.7	8,022.3	2.0	4,913.0	92.5	16,231.9
Pope	24.0	-	67.0	-	215.8	11.6	179.4	38.0	535.8
Prairie	1,005.7	474.5	9.4	-	4,219.9	-	2,972.8	18.2	8,700.5
Pulaski	174.5	48.3	-	-	309.4	-	538.1	-	1,070.3
Randolph	72.2	-	-	63.8	2,949.8	48.4	1,045.7	0.8	4,180.7
Sebastian	16.3	-	-	-	-	-	110.4	-	126.6
St. Francis	748.9	2,636.7	19.7	424.2	2,818.3	28.4	3,537.8	153.8	10,367.9
Stone	-	-	-	-	-	-	1.1	-	1.1
Washington	8.5	-	-	-	-	-	10.5	-	19.0
White	315.6	1,247.1	-	-	536.9	14.1	461.9	49.1	2,624.8
Woodruff	743.9	1,038.1	9.8	-	4,531.6	24.0	3,396.7	83.8	9,828.1
Yell	98.4	-	31.6	-	107.2	-	199.7	-	436.8
State Total	25,805.2	56,291.1	394.4	3,323.1	106,640.9	650.2	89,813.1	3,285.9	286,204.1
% Total	9.0%	19.7%	0.1%	1.2%	37.3%	0.2%	31.4%	1.1%	100.0%

Corn

The top five counties receiving assistance for economic losses experienced in corn production are Ashley, Craighead, Arkansas, Lee, and Lonoke. Eligible acres for corn across these five counties total 177,704 acres which is 37% of acres planted in 2024, and assistance across these five counties totals \$7.56 million. The value of corn production in 2024 totaled \$377.08 million based on a \$4.18 per bushel



season-average farm price and total production of 90.2 million bushels as reported by the Rural and Farm Finance Policy Analysis Center (RaFF) in their fall 2024 projection (Plastina, et al., 2024). The University of Arkansas, Cooperative Extension Service (UA-CES) crop enterprise budgets report an expected cost of production of \$892.29 per acre, not including land use cost such as crop share. Including land costs in a crop share agreement results in total expenses of \$510.5 million across 500,000 planted acres. The value of the economic assistance plus the value of production totals \$402.88 million which is 79% of the total cost of production for the state of Arkansas in 2024.

Table 4. Eligible Corn Acres and Estimated Economic Assistance for the Top Five Counties

County	Eligible Acres	Assistance
Ashley	40,263	\$1.71 million
Craighead	36,893	\$1.57 million
Arkansas	35,928	\$1.53 million
Lee	34,776	\$1.48 million
Lonoke	29,844	\$1.27 million

Cotton

The top five counties receiving assistance for economic losses experienced in cotton production are Mississippi, Craighead, Lee, Clay, and Desha. Eligible acres for cotton across these five counties total 342,371 acres which is 53% of area planted in 2024, and assistance across these five counties totals \$29.88 million. The value of cotton production in 2024 totaled \$475.20 million based on a \$0.60 per pound season-average farm price and total production of 1.65 million 480-pound bales as reported by RaFF (Plastina, et al., 2024). The UA-CES crop enterprise budgets report a cost of production of \$1,107.14 per acre, not including land use cost such as crop share. Including a crop share expense equates to total expenses of \$800.8 million across 650,000 planted acres. The value of the economic assistance plus the value of production totals \$531.49 million which is 66% of the total cost of production for the state of Arkansas in 2024.

Table 5. Eligible Cotton Acres and Estimated Economic Assistance for the Top Five Counties

County	Eligible Acres	Assistance
Mississippi	106,693	\$9.31 million
Craighead	83,396	\$7.28 million
Lee	55,218	\$4.82 million
Clay	50,035	\$4.37 million
Desha	47,029	\$4.10 million

Peanuts

The top five counties receiving assistance for economic losses experienced in peanut production are Craighead, Mississippi, Lee, St. Francis, and Greene. Eligible acres for peanuts across these five counties total 37,125 acres which is 83% of acres planted in 2024, and assistance across these five counties totals \$2.83 million. The value of peanut production in 2024 totaled \$58.3 million based on a \$0.25 per pound season-average farm price and total production of 233.2 million pounds as reported by RaFF (Plastina, et al., 2024). The UA-CES crop enterprise budgets report a cost of production of \$776.18



per acre, not accounting for land-use costs. Including a crop share estimate equates to total expenses of \$44.9 million over 45,000 planted acres. The value of the economic assistance plus the value of production totals \$61.62 million which is 137% of the total cost of production for the state of Arkansas in 2024.

The economic assistance received by Arkansas peanut producers would total \$3.32 million, which is based on a national-average yield, national season-average farm price, and a national expected cost of production. The state-average yield and season-average farm price reported by RaFF (Plastina, et al., 2024) is 5,300 pounds per acre and \$0.25 per pound, respectively. Further, the UA-CES crop enterprise budgets report a cost that is 66% of the national average reported by USDA-ERS.

Table 6. Eligible Peanut Acres and Estimated Economic Assistance for the Top Five Counties

County	Eligible Acres	Assistance
Craighead	13,357	\$1.02 million
Mississippi	9,552	\$0.73 million
Lee	6,333	\$0.48 million
St. Francis	5,559	\$0.42 million
Greene	2,324	\$0.18 million

Rice

The top five counties receiving assistance for economic losses experienced in rice production are Jackson, Poinsett, Lawrence, Lonoke, and Cross. Eligible acres for rice across these five counties total 534,183 acres which is 37% of acres planted in 2024, and assistance across these five counties totals \$37.13 million. The value of rice production in 2024 totaled \$1.56 billion based on a \$14.30 per hundredweight (cwt) season-average farm price reported by the January 2025 WASDE report and total production of 108.8 million cwt as reported by RaFF (Plastina, et al., 2024). The UA-CES crop enterprise budgets report a cost of production of \$1,138.70/acre, not accounting for land-use costs. Including a crop share estimate equates to total expenses of \$1.92 billion across 1.45 million planted acres. The value of the economic assistance plus the value of production totals \$1.67 billion which is 87% of the total cost of production for the state of Arkansas in 2024.

Table 7. Eligible Rice Acres and Estimated Economic Assistance for the Top Five Counties

County	Eligible Acres	Assistance
Jackson	133,479	\$9.28 million
Poinsett	115,400	\$8.02 million
Lawrence	109,735	\$7.63 million
Lonoke	88,509	\$6.15 million
Cross	87,060	\$6.05 million

Soybeans

The top five counties receiving assistance for economic losses experienced in soybeans production are Jackson, Poinsett, Lawrence, Lonoke, and Cross. Eligible acres for soybeans across these five counties total 177,704 acres which is 37% of acres planted in 2024, and assistance across these five counties



totals \$7.56 million. The value of soybean production in 2024 totaled \$1.69 billion based on a \$10.15 per bushel season-average farm price and total production of 166.1 million bushels as reported by RaFF (Plastina, et al., 2024). The UA-CES crop enterprise budgets report a cost of production of \$972.81 per acre, not accounting for land-use costs. Including a crop share estimate equates to total expenses of \$3.25 billion across 3.05 million planted acres. The value of the economic assistance plus the value of production totals \$1.78 billion, which is 55% of the total cost of production for the state of Arkansas in 2024.

Table 8. Eligible Soybean Acres and Estimated Economic Assistance for the Top Five Counties

County	Eligible Acres	Assistance
Mississippi	255,329	\$7.35 million
Crittenden	229,997	\$6.79 million
Phillips	215,773	\$6.37 million
Arkansas	175,655	\$5.18 million
Poinsett	166,552	\$4.91 million

Accounting for Rental Agreements in Crop Production Expenses

Given the large share of rented farmland in Arkansas, it is important to consider both full-ownership and tenant farms for a statewide crop production analysis. The following example based on corn production explains how crop share agreements were included in the above analyses. The UA-CES Crop Enterprise Budgets report an expected cost – under full farm-ownership – of \$892.29/per acre. Based on 2022 census of agriculture acreage estimates, farms under full ownership represent about 31.70%, while tenant farmers (including part-owners) represent 68.30% of total crop acreage in the state. To account for the large share of tenant acreage in Arkansas-which are predominantly 75/25 crop-share agreements, the total acreage for each crop is multiplied by the tenant proportion of total farmland acres and vice-versa for farms under full-ownership. Rental expenses for tenants are included by multiplying the land-owner’s revenue share (25%) by the total value of production for a specific crop and adding that value to total expenses. Using this approach, we can get a clearer picture of total production expenses for Arkansas. For example, under full-ownership, and assuming the UADA budget expenses of \$829.29 per acre, total ownership expenses equate to \$141.4 million over 158,464 acres (500,000 total acres planted × 31.70%). Under a tenant 75/25 crop share agreement, total expenses are \$369.1 million over 341,536 acres (500,000 total corn acres planted × 68.30%). Adding the expenses together generates total state expenses (including tenant farmers) for corn production in Arkansas and amounts to roughly \$510.5 million.

Disclaimer

Many provisions in the legislative text allow or require the discretion of the Secretary of Agriculture in determining certain of the relevant variables (prices, costs, yields, etc.). It is possible that USDA will interpret the provisions of the Act differently than the authors of this report during enactment for calculating actual payments. This could result in different payment calculations than the ones presented in this article.



Legislative Text

H.R.10545. American Relief Act, 2025 (12.20.24).

<https://docs.house.gov/billsthisweek/20241216/ARA%2012.20.pdf>

References

Plastina, A., Chinn, D., Biram, H., Mitchell, J., & R. Loy. “Fall 2024 Arkansas Farm Income Outlook.” *RaFF Report #11-2024*, Division of Applied Social Sciences, University of Missouri – Columbia. October 15th, 2024. https://ruralandfarmfinance.com/wp-content/uploads/2024/10/Fall_2024_Arkansas_Farm_Income.pdf

U.S. Department of Agriculture, National Agricultural Statistics Service. (2024). *2022 Census of Agriculture – Summary by Tenure of Farm Operation: 2022 (Arkansas)*. Retrieved January 22, 2025, from https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1,_Chapter_1_State_Level/Arkansas/st05_1_076_076.pdf

University of Arkansas System, Division of Agriculture, Cooperative Extension Service. (2024). *2024 Crop Enterprise Budgets*. <https://www.uaex.uada.edu/farm-ranch/economics-marketing/farm-planning/budgets/crop-budgets.aspx>.

Contact Information

Alejandro Plastina: aplastina@missouri.edu;

Hunter D. Biram: hdbiram@uark.edu

Ryan Loy: roy@uark.edu

Marc Rosenbohm: mrosenbohm@missouri.edu

Follow RaFF on Social Media

X: @RaFFfinance

LinkedIn: <https://www.linkedin.com/showcase/ruralfarmfinancecenter>

Website: RaFF.missouri.edu

Follow FAPRI on Social Media

X: @FAPRI_MU

Website: fapri.missouri.edu

