



American Relief Act, 2025 – Agriculture Provisions

On Saturday, December 21, 2024, President Joe Biden signed into law the American Relief Act of 2025. Congress overwhelmingly passed the bipartisan bill, a continuing resolution (CR) averted a government shutdown and will keep the Federal government operating through March 14, 2025. It also included \$10 billion in farmer economic assistance for the 2024 crop year, \$21 billion in weather-related disaster relief for agriculture for the 2023 and 2024 crop years, and a 2018 Farm Bill extension through September 30, 2025.

Farmer Economic Assistance

The law provides for \$10 billion in funding to make a one-time, emergency payment to eligible commodity producers for which expected revenue in crop year 2024 is below the projected per-acre cost of production and stipulates that the U.S. Department of Agriculture has 90 days to implement the program from enactment of the law (March 21, 2025).

The legislation specifically refers to “eligible commodities” as meaning the 2014 Farm Bill “loan commodities”, which include wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, **long grain rice, medium grain rice**, peanuts, soybeans, other oilseeds, dry peas, lentils, small chickpeas, and large chickpeas.

Congressional intent is to provide for a single, nationwide rice payment rate, so all rice farmers would ultimately receive the same payment rate regardless of the type of rice grown or where it's grown. The legislation defines "rice" as "long grain rice and medium grain rice". Because of the reference to loan statute, Temperate Japonica would be considered “medium grain rice”.

Payments will be made on 2024 planted acres and acres prevented from planting (at a 50% factor).

While the law uses a similar payment formula model to the Farmer Assistance and Revenue Mitigation Act (FARM Act) introduced this fall by Rep. Trent Kelly (R-MS), it also provides for a “higher of” formula.

The FARM Act formula calculation for rice is below (but is irrelevant thanks to the “higher of” formula).

Commodity	10-yr Avg. NASS Yield	WASDE All Rice Price	Proj. Rev/Acre	2024 COP	Loss/Acre	Payment
Rice	7532.2	\$ 15.60	\$ 1,175.02	\$ 1,314.84	\$ (139.82)	\$ 36.35

Using the “higher of” formula, which rice will trigger for the higher payment rate, USDA will use the \$14.00/cwt reference price established for long and medium grain rice in the 2014 Farm Bill ([7 U.S.C. 9011\(19\)](#)).

Estimated Minimum Rice Payment Rate (\$71.37/acre) = 2024 Weighted Average National PLC Yield (6,372.73 lbs.) X Statutory Reference Price (\$0.14/lb.) X 8%

Economic assistance payment limitations for a farmer who derives 75% or more of his/her average gross income from agriculture will have a limit of \$250,000. For those who don't meet the 75% threshold, the limit will be \$125,000. Of significance is the 75% factor being based on average gross income and not adjusted gross income (AGI). These economic assistance limits will also be separate from any weather-related disaster payments a farmer may receive for the 2023 or 2024 crop years provided for in this package. Additionally, existing provisions relative to attribution of payments, actively engaged in farming, and other regulations apply.

Weather-Related Disaster Assistance

The law provides for approximately \$21 billion in disaster assistance for production and quality losses due to natural, weather-related disaster events in 2023 and 2024, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freezes, smoke exposure, and excessive moisture. Some of these funds are earmarked for specific causes (e.g., livestock producers, block grants for small agricultural states, etc.), which leaves an estimated \$18.7 billion for crop producer losses.

As in prior iterations of natural disaster aid, the U.S. Department of Agriculture will be responsible for designing and implementing a program. This will likely take several months to complete.

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****Disclaimer: This information is for educational purposes only. USDA is responsible for implementing these programs and some information may change at USDA's discretion. USA Rice will continue to keep members updated on the implementation process.*