



Weekly Farm Economics: The 2025 Emergency Commodity Assistance Program

Nick Paulson, and **Gary Schnitkey**

Department of Agricultural and Consumer Economics
University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

March 25, 2025

farmdoc daily (15): 55

Recommended citation format: Paulson, N., G. Schnitkey, and C. Zulauf. "The 2025 Emergency Commodity Assistance Program." *farmdoc daily* (15): 55, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, March 25, 2025.

Permalink: <https://farmdocdaily.illinois.edu/2025/03/record-soybean-harvest-in-south-america-and-favorable-outlook-for-exports.html>

The American Relief Act of 2025 authorized \$10 billion in economic assistance payments to partially offset economic losses suffered by producers of eligible commodities during the 2024 crop year. The Farm Service Agency (FSA) of the USDA recently announced the Emergency Commodity Assistance Program (ECAP) application process and the per acre payment rates for each commodity. The FSA has provided an [ECAP website](#) that outlines the application process, eligibility requirements, payment rates and other information for producers.

ECAP Payments

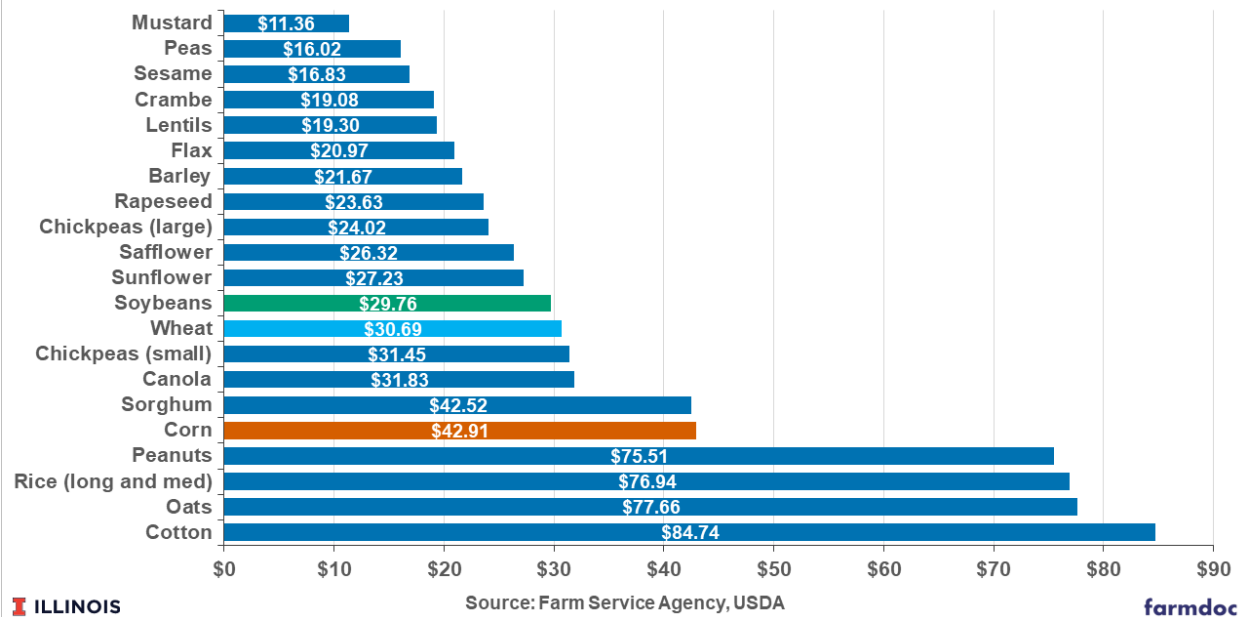
ECAP will provide payments for 22 eligible commodities using a flat rate per payment acre. Payment acres include 2024 planted acres and 50% of prevent plant acres. Figure 1 reports the finalized ECAP payment rates for all listed eligible commodities. The final payment rates from FSA are very similar to estimates for the major commodities released by *farmdoc* and other sources earlier in the year (see *farmdoc daily* from [January 7, 2025](#)).

Payment rates range from \$11.36 per acre for mustard to \$84.74 per acre for cotton (both upland and extra-long staple varieties). The payment rates for corn, soybeans, and wheat are \$42.91, \$29.76, and \$30.69 per acre, respectively.

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Figure 1. ECAP Payment Rates (\$/acre)

Note: Initial payments will equal 85% of the payment rate



Initial ECAP payments will be made using an 85% payment rate. For example, the initial per acre payments will be \$36.47 ($0.85 \times \42.91) for corn and \$25.30 ($0.85 \times \29.76) for soybeans. This is to ensure that total program payments do not exceed available funding (\$10 billion). If additional funds are available after the first payment wave, FSA may issue a second payment to producers for up to the remaining 15%.

The latest [acreage reporting data from FSA](#) (dated January 2nd, 2025) suggests total ECAP payments could reach \$10.02 billion. This assumes all currently reported and eligible planted and prevent planted acres apply for ECAP. FSA is also allowing for late acreage reporting prior to the August 15th deadline, which could increase total eligible acres. While not guaranteed, it seems likely that a second payment would occur to provide producers with the full ECAP payment rate.

Consider an example farm with 1,500 planted acres in 2024. If that farm planted 800 acres to corn and 700 acres to soybeans it would receive a total initial ECAP payment of \$46,886 ($\$42.91 \times 800 + \$29.76 \times 700 = \$55,160 \times 0.85 = \$46,886$).

The ECAP program's website also clarifies a common question that has been raised by producers regarding how double-crop acres will be treated for payments. If both commodities raised are in an approved double-crop rotation, acreage for both commodities is eligible for ECAP payments. If the 1,500 acre example farm had 800 corn acres, 400 soybean acres, and 300 wheat acres which were followed by double-crop soybeans it would receive an initial ECAP payment of \$54,711.95 ($\$42.91 \times 800 + \$29.76 \times 700 + \$30.69 \times 300 = \$64,367 \times 0.85 = \$54,711.95$).

ECAP payments have a total payment limit of \$125,000 per individual or entity. This payment limit can be increased to \$250,000 for producers who have at least 75% of their average gross income from farming, ranching or forestry. The increased payment limit can be requested by filing form CCC-943 with your local FSA office.

Application Process

The application period for ECAP began on March 19, 2025 and will run through August 15, 2025. Producers must submit an application form and have other required documentation for the 2024 crop year on file with their local FSA office.

Pre-filled ECAP applications will be mailed to all producers who had reported acreage of an eligible commodity at their FSA office as of March 10, 2025. After verifying and completing the application form,

they can be submitted in-person, electronically, or by fax to the local FSA office. An online application is also available at the [ECAP website](#). Producers who have not provided the required 2024 crop year forms for ECAP eligibility to their local FSA office may do so prior to submitting their ECAP application by the August 15th deadline.

The [ECAP website](#) provides more details on eligibility, the application process and requirements, payment rates and payment calculation, and other frequently asked questions. Producers can also contact their local FSA offices with additional questions.

Discussion

ECAP payments are being issued to partially offset economic losses associated with the 2024 crop year. Thus, the payments should be included as part of 2024 income on accrual income statements. The payments will be received by producers in 2025, meaning they will be included in 2025 cash flows and cash income measures used by many producers for tax purposes.

The payment rates for corn, soybean, and wheat acres provide significant relief. However, average per acre returns on cash rented farmland remain negative across all regions of Illinois for 2024 (see *farmdoc daily* from [January 14, 2025](#)). Moreover, the outlook for 2025 is for another year of negative returns across Illinois as production costs remain elevated compared to commodity prices. Prices need to improve and/or costs must be reduced for returns to reach sustainable levels.

While commodity programs could trigger support payments for 2025 (see *farmdoc daily* articles from [January 28, 2025](#), [February 18, 2025](#), and [March 11, 2025](#)), calls for additional rounds of *ad hoc* support payments seem likely. The potential for increased costs associated with tariffs on U.S. imports and weaker export demand for U.S. commodities resulting from retaliatory tariffs on U.S. exports could strengthen arguments for additional *ad hoc* support. However, current initiatives to cut government spending to increase efficiency, reduce the deficit, and finance proposed tax cuts could pose significant headwinds to more support for agriculture.

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