

The One Big Beautiful Bill & Its Effects on Crop Commodities

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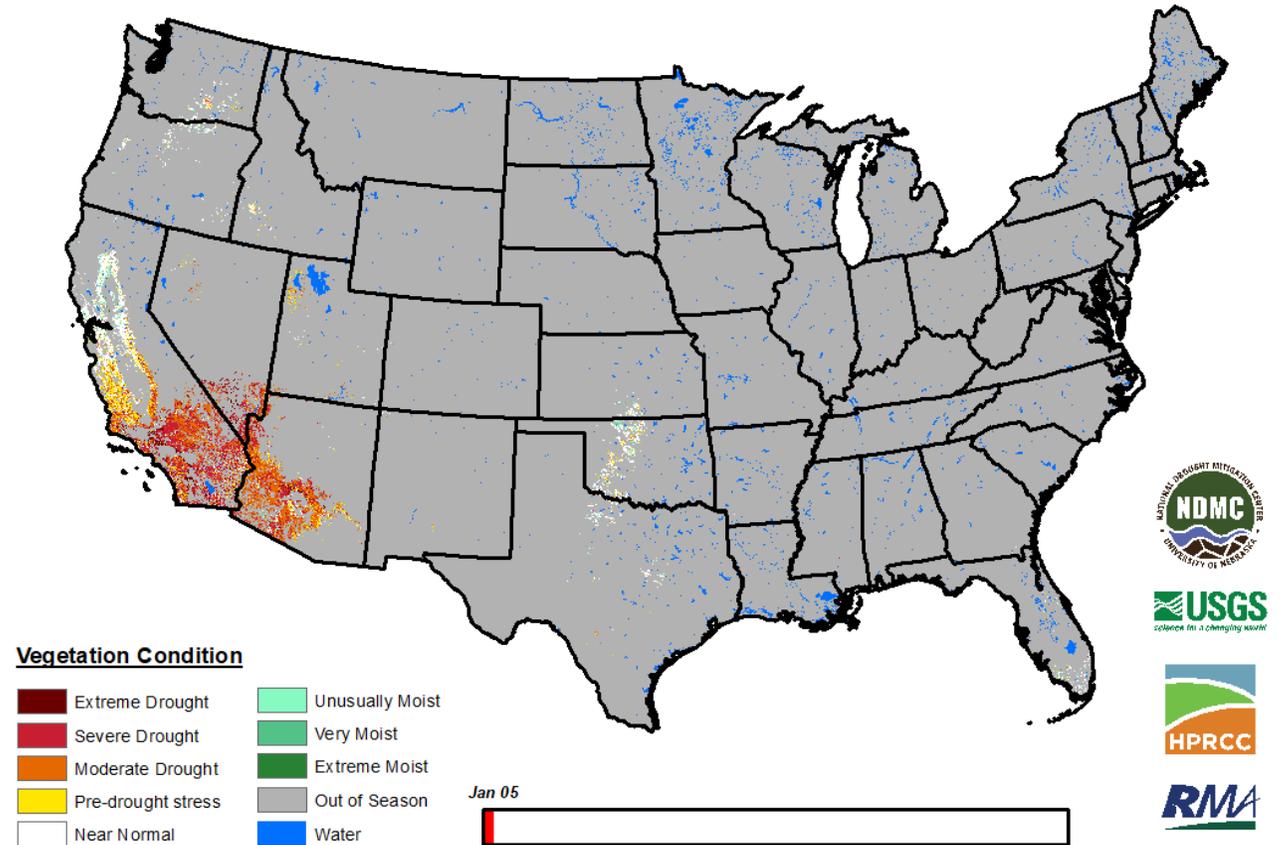
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Overview

- 2025 Profitability
- Crop Insurance, ARC and PLC, and Ad Hoc Payments
- 2026 Profitability Outlook

2025 Vegetation Drought Response Index (VegDRI)



2025 Tennessee Estimated Revenue and Production Costs

	Cotton	Soybeans	Corn	Wheat/Soybeans
Yield - Tennessee	865	42	162	74/37
Average Price	\$0.65	\$10.36	\$4.28	\$5.27/\$10.36
Revenue	\$562	\$435	\$693	\$773
Variable Expenses	\$616	\$320	\$572	\$566
Returns Over Variable	(\$54)	\$115	\$121	\$207
Land Costs	\$150	\$150	\$150	\$150
Returns Over Variable and Land Costs	(\$204)	(\$35)	(\$29)	\$57
Fixed Costs (Capital Recovery and Management Labor)	\$205	\$149	\$166	\$260
Returns Over Specified Costs	(\$409)	(\$184)	(\$195)	(\$203)
Breakeven Price at Estimated Yield and Specified Cost	\$1.12	\$14.74	\$5.48	\$6.10/\$12.20

2025 Tennessee Crop Losses and Federal Payments

	Cotton	Soybeans	Corn	Wheat/Soybean	Total
FSA Acres Planted (2025)	202,244	1,213,629	897,270	291,791	2,604,934
Irrigation %	14%	8%	9%	4%	8%
Estimated Losses by Crop 2025	(78,993,473)	(170,298,140)	(168,294,115)	(59,197,391)	(476,783,118)
FBA Payment (Estimated)	23,733,333	37,476,864	39,802,897	20,492,482	121,505,576
Crop Insurance Payments (as at Jan 15, 2026)	12,479,865	37,330,926	33,163,898	14,847,035	97,821,724
2024 ARC/PLC (received Oct 2025)	21,886,609	14,879,780	25,106,034	3,577,523	65,449,946
Loss after safety net and ad hoc payments	(20,893,665)	(80,610,571)	(70,221,285)	(20,280,350)	(192,005,872)

Notes:

- Losses are based on both irrigated and non-irrigated estimated returns for Tennessee
- FSA acres are from the January report
- FBA are estimated based on payment rate and planted acres; does not account for payment limitations
- Crop insurance indemnities are as at Jan 15, 2026; additional indemnities may be added to the RMA data
- ARC/ PLC payments are for the 2024 crop year; received in October 2025; ARC/PLC payments are based on base acres not planted
- Wheat/soybeans includes payments and revenue from both crops.
- Does not include Supplemental Disaster Relief Program (SDRP)

Farmer Bridge Assistance Program (FBA)

- Corn: \$44.36
- Wheat: \$39.35
- Soybeans: \$30.88
- Cotton \$117.35

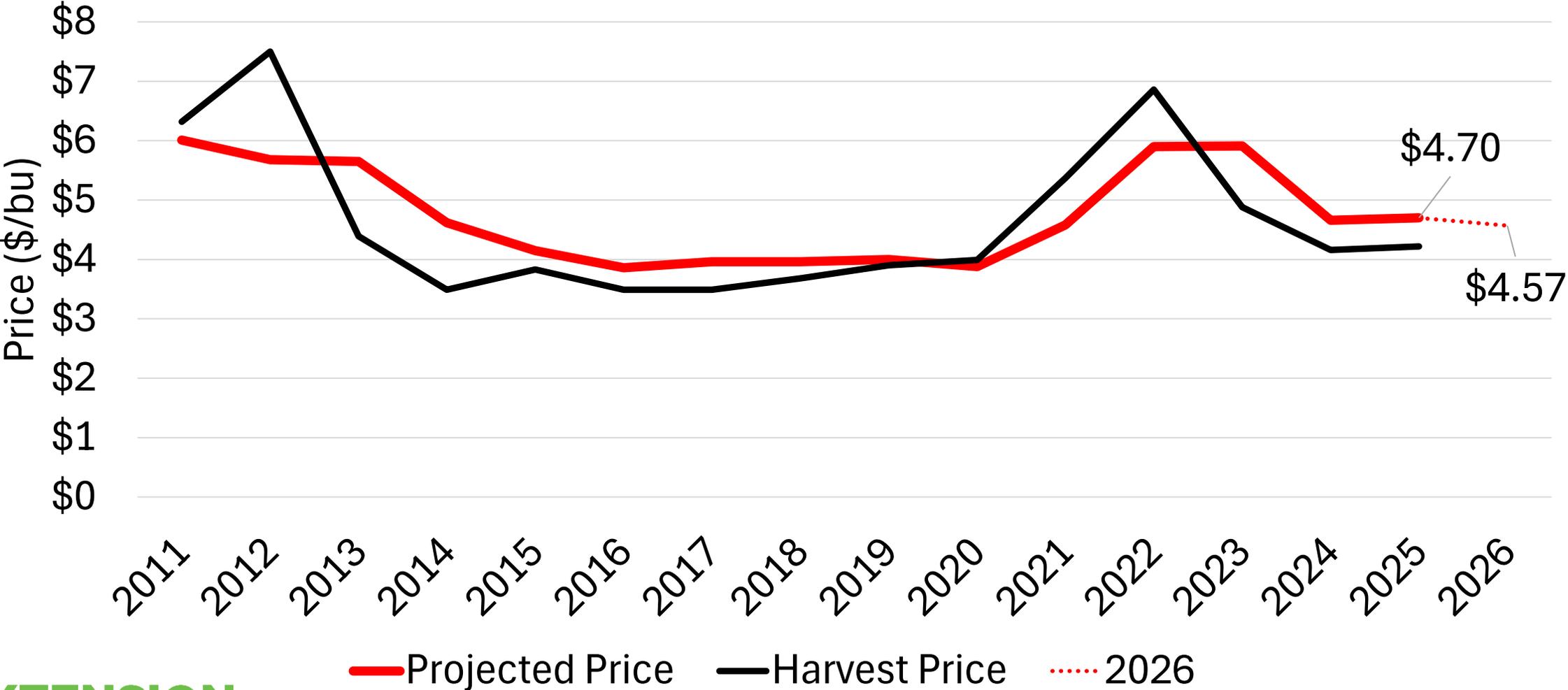
2026 Estimated Cost-of-Production

	Corn	Soybeans	Cotton
Crop Revenue	\$823	\$605	\$828
Yield	175	55	1,200
Price	\$4.70	\$11.00	\$0.69
Operating costs			
Seed	\$125	\$70	\$145
Fertilizer	\$210	\$60	\$125
Chemicals	\$70	\$105	\$160
Machinery operating cost or custom	\$85	\$75	\$95
Interest on operating capital	\$20	\$14	\$23
Total, operating costs	\$510	\$324	\$548
Allocated overhead			
Labor	\$40	\$30	\$50
Capital recovery of machinery and equipment	\$155	\$135	\$175
Land Expense	\$180	\$180	\$180
Taxes, insurance, and housing	\$21	\$18	\$22
General farm overhead	\$26	\$23	\$27
Total, allocated overhead costs	\$422	\$386	\$454
Total, costs listed	\$932	\$710	\$1,002
Revenue less specified costs	-\$110	-\$105	-\$174

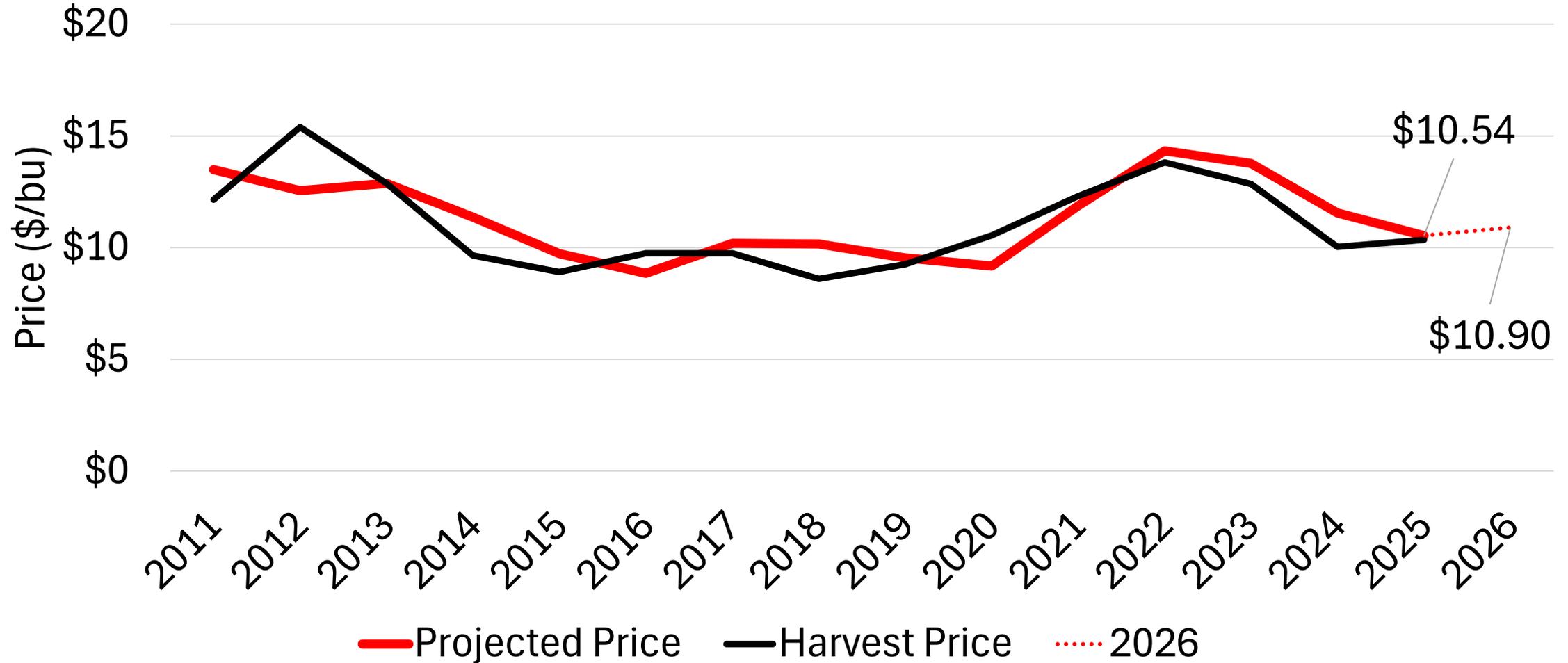
Corn - Net Return Table (\$/acre; **\$932 COP**)

		<u>Yield (bu/acre)</u>										
		130	140	150	160	170	180	190	200	210	220	230
<u>Price</u> (\$/bu)	3.00	(542)	(512)	(482)	(452)	(422)	(392)	(362)	(332)	(302)	(272)	(242)
	3.25	(510)	(477)	(445)	(412)	(380)	(347)	(315)	(282)	(250)	(217)	(185)
	3.50	(477)	(442)	(407)	(372)	(337)	(302)	(267)	(232)	(197)	(162)	(127)
	3.75	(445)	(407)	(370)	(332)	(295)	(257)	(220)	(182)	(145)	(107)	(70)
	4.00	(412)	(372)	(332)	(292)	(252)	(212)	(172)	(132)	(92)	(52)	(12)
	4.25	(380)	(337)	(295)	(252)	(210)	(167)	(125)	(82)	(40)	3	46
	4.50	(347)	(302)	(257)	(212)	(167)	(122)	(77)	(32)	13	58	103
	4.75	(315)	(267)	(220)	(172)	(125)	(77)	(30)	18	66	113	161
	5.00	(282)	(232)	(182)	(132)	(82)	(32)	18	68	118	168	218
	5.25	(250)	(197)	(145)	(92)	(40)	13	66	118	171	223	276
	5.50	(217)	(162)	(107)	(52)	3	58	113	168	223	278	333
	5.75	(185)	(127)	(70)	(12)	46	103	161	218	276	333	391
	6.00	(152)	(92)	(32)	28	88	148	208	268	328	388	448
	6.25	(120)	(57)	6	68	131	193	256	318	381	443	506
	6.50	(87)	(22)	43	108	173	238	303	368	433	498	563
6.75	(55)	13	81	148	216	283	351	418	486	553	621	

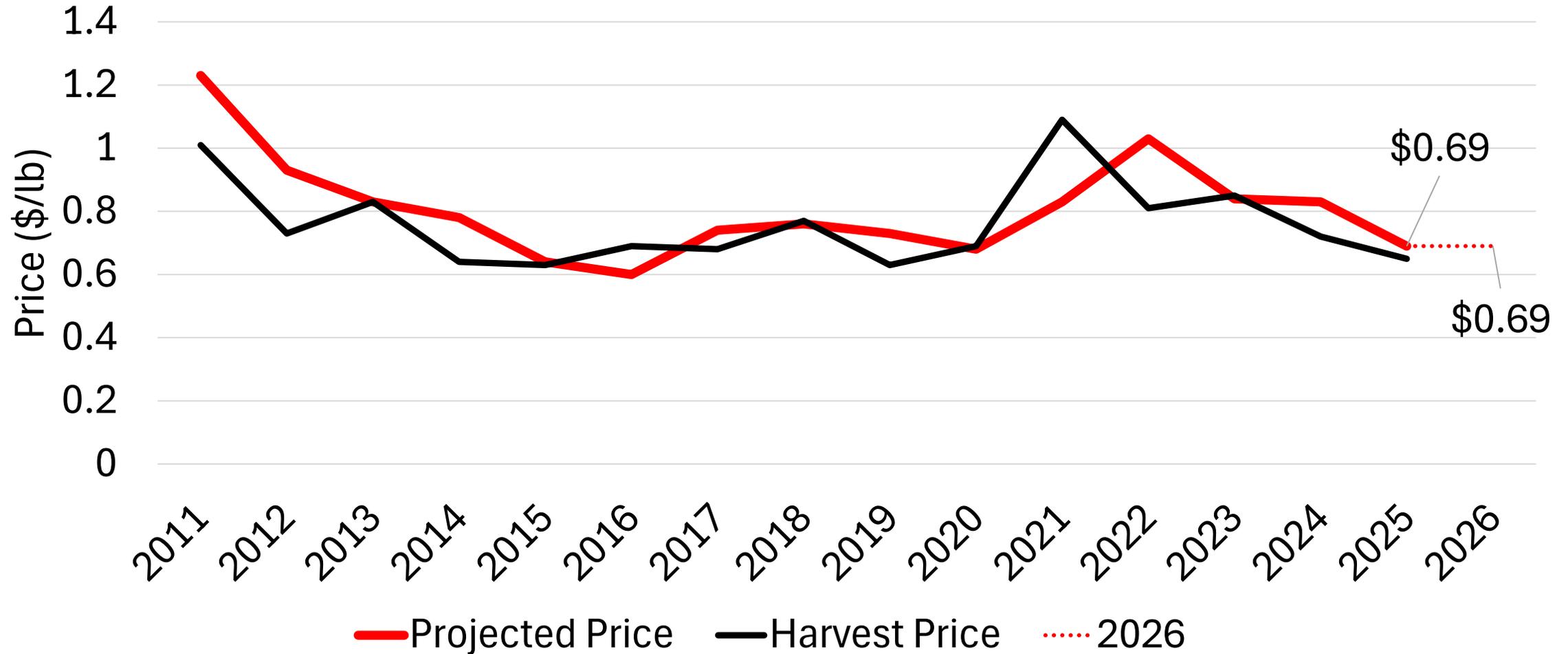
TN Corn Crop Insurance Prices, 2011-2025



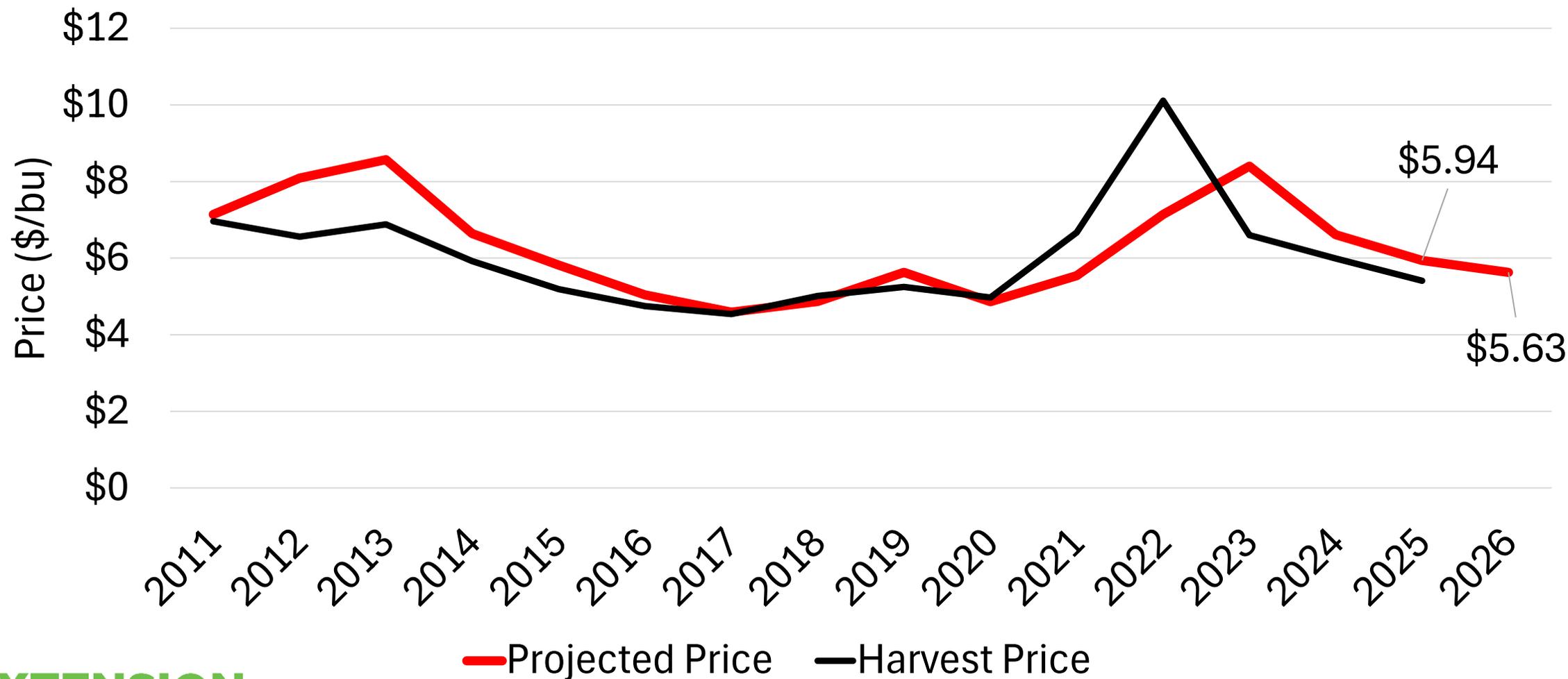
TN Soybean Crop Insurance Prices, 2011-2025



TN Cotton Crop Insurance Prices, 2011-2025



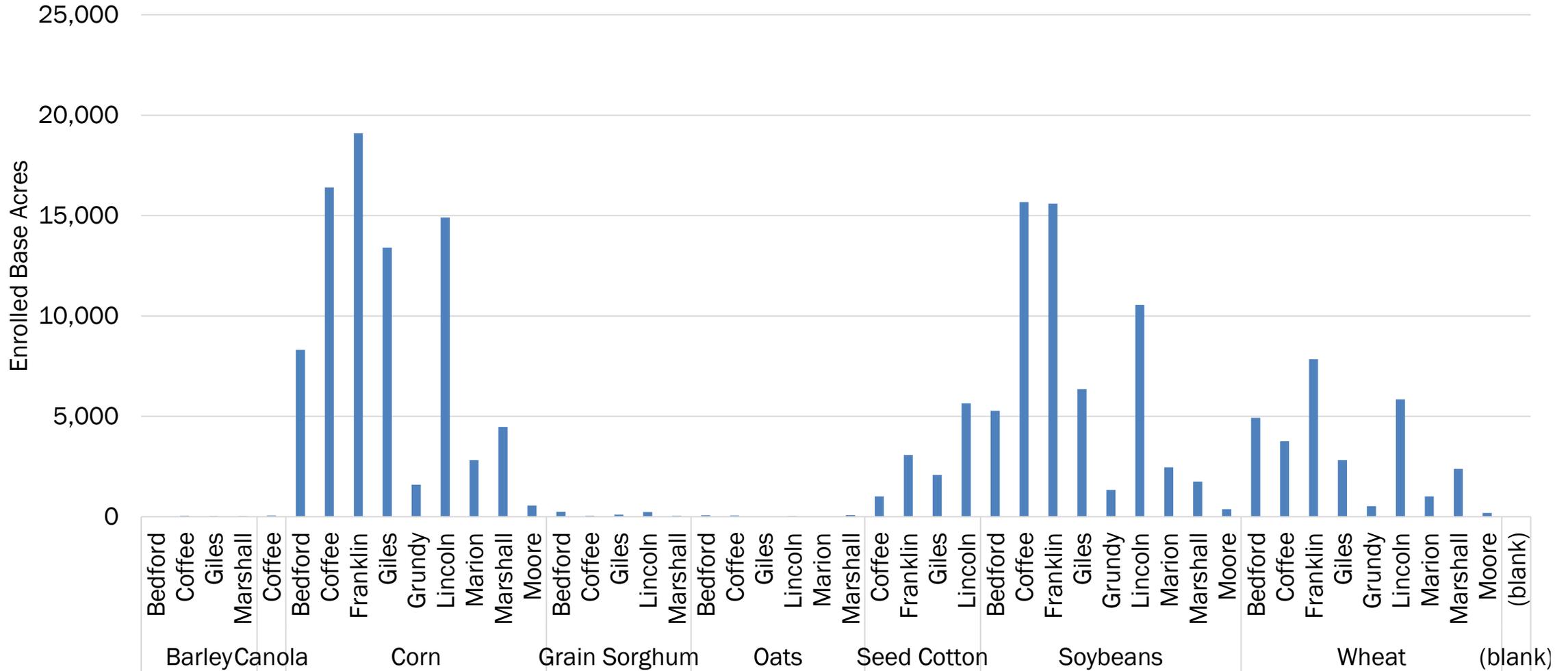
TN Wheat Crop Insurance Prices, 2011-2025



2025 ARC/PLC Enrolled Acres & FSA Planted and Prevent Acres

Row Labels	Enrolled Base 2025	FSA Planted 2025
Bedford	18,809	20,692
Coffee	37,054	58,602
Franklin	45,613	63,357
Giles	24,791	31,453
Grundy	3,461	5,350
Lincoln	37,209	49,975
Marion	6,291	6,436
Marshall	8,754	14,896
Moore	1,123	268
Grand Total	183,104	251,029

Enrolled Base Acres by Commodity, 2025



The past wasn't as good as you remember.
The present isn't as bad as you think.
The future will be better than you anticipate.

Morgan Housel, The Psychology of Money

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THANK YOU

