



Farm Bailouts Announced as Trade Wars Deepen Strain on U.S. Agriculture

Washington is moving to address a farm crisis made sharper by new tariffs that disrupt markets and raise expenses. President Donald Trump announced Thursday that relief is coming, financed by tariff revenue. [He told](#) reporters he wanted to make sure American farmers are “in great shape:”

We’re going to take some of that tariff money that we’ve made, and we’re going to give it to our farmers, who are for a little while going to be hurt, until ... the tariffs kick in to their benefit.



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Later in the day, he elaborated. Farmers would get a “small percentage” of tariff revenue, which has reached [over \\$200 billion](#) this year. “Ultimately, the farmers are going to be making a fortune,” Trump said. “But it’s a process. It has to kick in.”

USDA’s “Help”

While Trump pitched tariffs as a long-term reset, the U.S. Department of Agriculture (USDA) is busy writing checks in the here and now. In Kansas City yesterday, Agriculture Secretary Brooke Rollins [announced](#) that the final \$2 billion under the Emergency Commodity Assistance Program (ECAP) “will be delivered to approved producers within the week.” (Legally, both small family farms and corporate giants qualify. In practice, the giants tend to pocket the bulk — just as they did in [Trump’s first-term bailouts](#).) That comes on top of more than \$8 billion in expedited payments already sent to 560,000 farmers since March.

The intervention goes further. USDA will purchase over 417,000 metric tons of American-grown commodities for international food aid. Officially, the goal is to support programs in Benin, Honduras, Mozambique, Pakistan, and Senegal. Unofficially, it also clears bins of unsold crops at home — and the ones U.S. farmers could no longer move after losing markets in the trade wars.

The [McGovern-Dole International Food for Education](#) and [Child Nutrition Program](#) will use \$240 million to deliver 56,170 metric tons of food — a 50-percent jump from 2024. The [Food for Progress Program](#) will direct another \$240 million into selling 361,000 metric tons abroad, a 12-percent increase from last year, with proceeds reinvested to strengthen agricultural markets for domestic producers.

Rollins also reminded that the One Big Beautiful Bill includes \$285 million a year for agricultural trade promotion. That money wasn’t due until 2026, but USDA is repurposing Biden-era funds to launch the [America First Trade Promotion Program](#) on October 2. The initiative will bankroll marketing campaigns and trade missions to expand markets overseas.



Written by [Veronika Kyrylenko](#) on September 26, 2025

Rollins [framed](#) it all as both relief and strategy — “the complete realignment of the world economy around American agriculture and American goods.” How many farmers will actually live to see that promised future is not clear.

Agriculture “Under Threat”

USDA has admitted what many farmers already know: the pressures are relentless and compounding. In a recent statement, the agency said it is working with the Department of Justice (DOJ)

to protect American farmers and ranchers from the burdens imposed by high and volatile input costs — such as feed, fertilizer, fuel, seed, equipment, and other essential goods — while ensuring competitive supply chains, lower consumer prices, and the resilience of U.S. agriculture and the food supply.

The agency also flagged labor as a choke point, noting costs have risen 47 percent since 2020, largely because farms rely on the H-2A visa program and wage rates set using USDA data.

Input costs — for fuel, fertilizer, seed, and machinery — have become persistently high and volatile. USDA acknowledges that multiple forces are at play, but analysts point squarely to tariffs as a key contributor. Pesticide and herbicide imports now face duties of over [20 percent](#). Additionally, auto parts now face [25-percent tariffs](#), and newer trade actions target heavy equipment and metal parts with [50-percent](#) duties on steel and aluminum components. The squeeze will intensify on October 1, when heavy-duty trucks — essential for hauling grain and equipment — come under a 25-percent tariff.

Rollins, for her part, chose a familiar target. In her Kansas City remarks, she placed much of the blame on the Biden administration, noting its failure to secure trade deals and claiming the farm deficit ballooned on its watch. At the same time, she claimed, production expenses have surged compared with Trump’s first term.

“We know that agriculture in our country is under threat,” she said. The line was meant as reassurance. Instead, it underscored the obvious: American farmers are being pushed to the edge by a policy mix that raises their costs at home while shrinking their opportunities abroad.

The Fallout

The new trade wars have shifted global markets in ways that no bailout can swiftly reverse. Brazil has [overtaken](#) the United States as the world’s largest soybean producer, capturing the Chinese contracts that once anchored Midwestern farm incomes. Farmers in [Illinois report](#) strong yields this season, but weak demand ensures prices remain low.

The exposure is enormous. U.S. agricultural exports worth [\\$191 billion](#) are on the line, with China, Mexico, and Canada already retaliating. Soybean growers have lived this before: The tariff battle of 2018 slashed exports to China by 77 percent, wiping out over [\\$20 billion](#) in sales.

Debt only magnifies the strain. USDA projects farm debt will climb to a record [\\$561.8 billion](#) in 2025.

Regional stories make the crisis tangible. [Minnesota’s](#) soybean exports to China have dropped from one-third of output a decade ago to about one-quarter. In [Indiana](#), Argentina is seizing contracts once held by U.S. growers — aided in part by Trump’s recent commitment of up to [\\$20 billion in financial support](#) (via swap lines, debt purchases, and currency backing) to Buenos Aires. Even Republican Senator



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Chuck Grassley of Iowa admits farmers are “[VERY upset](#)” as Argentina fills China’s soybean demand — the world’s top market the U.S. is losing.

In [Arkansas](#), the storm is devastating. Farm bankruptcies are climbing, commodity prices are sinking, and leaders warn of collapse.

“There is a true disaster looming on the horizon,” said Andrew Grobmyer of the Agricultural Council of Arkansas. Council President Joe Mencer estimates that one in three farms could close by spring without emergency aid. Losses have already reached \$1.4 billion this season, driven by rice prices crashing to an eight-year low. “We’re in dire straits,” Mencer said. “Ag is in turmoil right now.”

Legal Questions

The farm bailouts are inseparable from Trump’s broader “[Liberation Day](#)” tariff plan. That policy imposes a 10-percent blanket duty on imports, with additional reciprocal tariffs on countries judged to be blocking U.S. trade. The de minimis exemption for Chinese goods — once a safety valve for small shipments — has been eliminated.

The bond market is not impressed. Investors [argue](#) tariff revenue should go to paying down the ever-ballooning national debt, not to farm bailouts. Redirecting funds could spook bond buyers, raise yields, and push up borrowing costs across the economy.

Legal challenges loom as well. A trade court has already [ruled](#) that Trump’s sweeping tariffs exceeded presidential authority under emergency economic law, and the Supreme Court will weigh in later this fall. If justices ultimately overturn the tariffs, the legal basis for funneling tariff revenue into farm bailouts could collapse — forcing the administration to reconsider whether it can lawfully disburse those funds or even demand refunds. Meanwhile, Congress is considering the [Trade Review Act](#), which would force any new tariff to clear a 60-day review.

It may seem noble to help farmers weather hardships Washington itself created, but federal meddling in agriculture is unconstitutional and reckless. In practice, bailouts don’t build resilience — they trade farmers’ self-sufficiency for deeper dependence on the state. Farmers absolutely need relief, but more urgently they need a government that stops fueling the collapse it is now attempting to fix.



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