

# Farmers put plans, investments on hold under Trump USDA spending freeze

 [reuters.com/world/us/farmers-put-plans-investments-hold-under-trump-usda-spending-freeze-2025-03-10](https://www.reuters.com/world/us/farmers-put-plans-investments-hold-under-trump-usda-spending-freeze-2025-03-10)

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Item 1 of 6 Sheep trek up a muddy hill, at Quicken Farm in Shanks, West Virginia, US., February 16, 2025. REUTERS/Leah Douglas/ File Photo

## Summary

- USDA grant freeze impacts farmers' financial stability
- Farmers face bankruptcy, economic uncertainty due to freeze
- Trump administration's freeze affects USDA conservation, food programs

CHICAGO/WASHINGTON, March 10 - Nate Powell-Palm, an organic farmer outside Belgrade, Montana, was relying on a \$648,000 grant from USDA's Agricultural Marketing Service to help build a feed mill - an economic lifeline for about 150 area organic grain farmers.

But construction is on hold following the Trump Administration's freeze on some agricultural grants and loans as it conducts a broad review of federal spending.

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Now, about 500 tons of baled alfalfa sits untouched in stacks in his fields, and a bill from a Colorado equipment manufacturer is past due. Last week, he traveled with a group of farmers to Washington, D.C. to meet with lawmakers and try to get their frozen USDA grant funding released.

Farmers and food organizations across the country are cutting staff, halting investments and missing key funding amid a USDA freeze on a broad swath of grants, more than two dozen farmers and agricultural support groups in seven states told Reuters.

All this comes as Trump has imposed new tariffs on goods from Canada, Mexico and China, sparking [trade wars](#) with the biggest buyers of U.S. farm products.

Trump on March 6 said he would [exempt farm products](#) like potash fertilizer from the tariffs until April 2. But if they eventually go into effect, the tariffs would hurt the \$191 billion American agricultural export sector, raise costs for farmers struggling with low crop prices and send consumer grocery prices higher, [farm groups warn](#).

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"As the president said, farmers need to start growing crops to sell here in the U.S.," Powell-Palm said, referencing a March 3 post by Trump on his Truth Social website in which Trump said farmers should prepare to sell more domestic product. "This is what we are trying to do. We just need our approved grant funding to be released."

Trump has historically enjoyed widespread support across the U.S. Farm Belt, where he won most states in the November election. But recent actions - like a freeze on most humanitarian aid and a broad review of federal spending that paused disbursements - have disrupted some agricultural markets and caused stress and confusion in farm country.

For example, some agricultural production lines have been halted. Two farmers, who requested anonymity to discuss sensitive personal financial matters, told Reuters they were weeks away from being forced to file for bankruptcy because of the USDA freeze.

White House Deputy Press Secretary Anna Kelly said the administration is making agencies more efficient, including to better serve farmers.

A USDA spokesperson said the administration is reviewing the frozen programs.

## BILLIONS IN AID

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Though the U.S. farm sector previously faced sweeping trade wars under Trump, many have remained loyal even as his policies and tariffs [damaged American farm sales](#) and resulted in lost global market share that soybean growers still haven't recovered. But many farmers last

fall believed they were so politically important to Trump winning back the White House, that he would help cover their financial losses.

After all, it happened before. Under the [first Trump administration](#), farmers received about \$217 billion in farm payments, including crop support, disaster, and aid programs - more than in any prior four-year period since 1933, according to a Reuters examination of USDA data. Adjusted for inflation, the only period with more spending on farmers was 1984 to 1988, when a farm economic crisis battered rural America.

Agriculture secretary Brooke Rollins has said USDA is [considering direct payments](#) to farmers again if trade wars lead to farm losses.

Currently, the USDA administers hundreds of programs that support the agriculture sector, either through grants and loans, or direct payments and other subsidies.

From financial assistance programs alone, U.S. farmers and ranchers received \$161 billion from USDA between fiscal years 2019 through 2023, according to [a December report by the U.S. Government Accountability Office](#) [↗](#), [opens new tab](#).

Several of the grant recipients interviewed by Reuters said their money came from former President Joe Biden's Inflation Reduction Act, which provided more than \$20 billion for farm and forestry conservation programs.

Trump froze IRA disbursements in his first days in office, though the White House said on January 22 that the freeze [only applied to clean energy projects](#).

Rollins [said on February 20](#) that the agency is beginning to unfreeze some IRA money for farmers, but the scope of the release is unclear.

The USDA did not comment on how much money has been released from IRA or other funding sources.

The White House did not respond to questions about under what authority the funds are frozen or when they may be released.

The full scope of economic impact on farmers is not known.

Two [federal judges have blocked Trump](#) from issuing broad freezes of federal spending.

## **'YOUR WORD MEANS SOMETHING'**

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Many farmers are worried they won't be spared from Trump's government downsizing. Seeking answers, farmers have called their Congressional representatives and local contacts at field USDA offices. Sometimes, the calls were answered. Sometimes, not.

Dave Walton, a row crop farmer in Muscatine County, Iowa, said farmers had expected Trump's administration to improve the federal safety net, not slash it.

"In farming, your word means something. If you sign a contract, that means something," said Walton, who said he's waiting on \$6,000 from a USDA-funded program for climate-friendly farming.

Grain farmer Steve Tucker was awarded a \$400,000 grant through Agricultural Marketing Service, which promotes domestic and foreign farm markets, to build a mill in southwest Nebraska.

He had planned to grind this year's sorghum crop into flour and sell it to U.S. snack manufacturers, but now that's on hold.

The broader grant freeze has also affected some farmers' customers. Ed and Becky Morgan scrimped for years to grow their livestock herd as demand for their sausage varieties boomed, thanks to local public schools hungry for lunchtime links.

But the fate of USDA grants that help schools buy foodstuffs from local farmers - like the Morgans' flavored sausages - remains uncertain, said Spencer Moss, the executive director of the West Virginia Food and Farm Coalition in Charleston, West Virginia.

Some of the frozen USDA money is linked to soil and water conservation, organic and local food, regional and rural food systems, and minority and women farmers, according to Reuters interviews with farmers and farm organizations.

Food and farm groups with grants unrelated to conservation also told Reuters they were not receiving promised funds.

The West Virginia Food and Farm Coalition received about 80% of its funding from federal sources, including USDA nutrition programs that help low-income consumers buy more produce, Moss said.

The group, which works with local farmers markets and provides technical assistance to farmers, said it was still waiting for guidance from the USDA on its invoices, Moss said. The group has been paid for some grant-related invoices, but has been told it won't - at least for now - be paid for expenses incurred after January 19, after Trump took office.

"We've made promises to our farmers, because the federal government signed contracts with us," Moss said.

## **SPRAWLING NETWORK**

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Farmers have also been affected by spending freezes at other agencies, like USAID, which support programs that buy bulk farm commodities.

At the State Department, the Trump administration has said it would release less than \$100 million of the roughly \$40 billion in USAID programs administered annually before the freeze,

according to a list of exemptions reviewed by Reuters.

The Supreme Court on March 5 ruled that the administration cannot withhold payments to aid groups for work already performed.

The freeze has exacerbated pain felt by farmers under pressure from low grain prices. The number of U.S. farm bankruptcy filings jumped 55% in 2024, compared to a year earlier, according to the latest United States Court data.

Jillian Blanchard, vice president of climate change and environmental justice at the nonprofit Lawyers for Good Government, said the group was working with about 100 grantees who are impacted by the USDA spending freeze.

"You need to have certainty if you're going into business with the federal government," she said.

Reporting by Leah Douglas in Shanks, West Virginia, and Washington D.C., and P.J. Huffstutter and Tom Polansek in Chicago. Editing by Emily Schmall and Anna Driver