

LETTER TO U.S. DEPARTMENT OF AGRICULTURE

USDA should take prudent measures to direct aid to where it is needed most and avoid unnecessary spending or waste that could further exacerbate our fiscal outlook.



November 24, 2025



The Honorable Brooke Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

The Honorable Luke Lindberg
Under Secretary for Trade and
Foreign Agricultural Affairs
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250



SUBJECT: Trade Bailouts Should be Needs-Based and Avoid Unnecessary Waste, Fraud



Dear Secretary Rollins and Under Secretary Lindberg,



On behalf of the undersigned organizations, we urge the Department of Agriculture (USDA) to adhere to commonsense financial accountability principles when implementing any forthcoming farmer trade aid payments. Our organizations reflect a diverse array of policy and political approaches to the essential role of the agriculture industry and we do not necessarily agree on the underlying need for emergency spending in this situation. However, we do agree that, at minimum, *if* USDA issues payments, it should target funds based on need—using clear, accurate eligibility and economic data—and do so in a fully transparent manner.



As USDA finalizes its trade mitigation program, the basic principles outlined below will assist in achieving these goals, ensuring that limited taxpayer funds will be used both effectively and efficiently while limiting the potential for fraud, waste, or other misuse.

1. Aid payments should go to those who need it most.

Agribusinesses vary widely in their financial success and how they have been affected by trade uncertainty, in terms of both exports and farm inputs like machinery and fertilizer. Strong payment limits and income caps can help ensure aid dollars reach those who need them most. The [2018-2019 Market Facilitation Program](#) (MFP), which distributed [\\$23 billion](#) in trade mitigation payments, is our most recent template for such a program. MFP limited total payments to [\\$250,000](#) per producer whose average gross income (AGI) was [\\$900,000](#) or below, with certain exceptions.

Payment limits and income caps are a basic, essential requirement for any government aid program. To further enhance effectiveness and conserve resources, USDA could

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bring this round of trade aid in line with other agriculture subsidies administered using funds authorized through the [Commodity Credit Corporation \(CCC\)](#), like the [Agriculture Risk Coverage \(ARC\)](#) and [Price Loss Coverage \(PLC\)](#) programs. These currently have a statutory payment limit for most people and legal entities of [\\$155,000](#).

Likewise, payments should be restricted to working farmers. The MFP did include an “[actively engaged](#)” requirement for recipients, but the [current definition](#) falls short, leaving a large loophole for absent [landowners or passive investors](#). [Similar limits](#) have traditionally enjoyed broad, bipartisan support in Congress.

2. Improve programmatic oversight and financial accountability.

A 2022 Government Accountability Office (GAO) [review](#) of the MFP found deficiencies in the data used to evaluate program eligibility leading to nearly [\\$800 million in improper payments](#). Since then, USDA has implemented GAO recommendations to enhance eligibility oversight. USDA should maintain these improvements, such as independent income verification, to prevent the same problems from occurring again.

Like other CCC programs, [MFP](#) required aid recipients to comply with common sense restrictions against farming on [highly erodible areas or wetlands](#). This should continue to be applied to prevent the use of tax dollars to harm (or to unintentionally incentivize the harm of) environmentally sensitive lands, exacerbating [nutrient runoff](#) issues and habitat loss.

Recent ad hoc disaster spending for agribusinesses, like the [Supplemental Disaster Relief Program](#), have required participation in the federal crop insurance program or [Noninsured Disaster Assistance Program \(NAP\)](#). [USDA economists](#) noted that the absence of this stipulation can create a moral hazard, undermining both the effectiveness of federal crop insurance and the personal accountability of farmers in risk management. One role of [crop insurance](#) is to help redistribute risk across a large number of farms in the event of unforeseen circumstances—which includes price drops, not only natural disasters. However, the expectation of a government bailout can discourage participation, putting more risk onto fewer farms, and, equally important, taxpayers who bear the brunt of both [crop insurance premiums](#) and the underlying cost of direct aid. [MFP](#) lacked this important provision. USDA should condition any new trade aid on crop insurance and NAP participation for farm operations that currently have access to these policies.

3. Officials should evaluate and disperse aid with a high level of transparency.

A [GAO review](#) of MFP found deficiencies in the economic assumptions USDA made in calculating the impact of retaliatory tariffs. GAO recommended internal process changes to improve transparency of USDA’s analytical methodologies to provide greater understanding and improved accuracy of future programs. Those recommendations remain open and officials should address this before dispensing additional aid.

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In addition, it is essential that lawmakers, taxpayers, and other experts have access to data about who receives trade aid. [This information](#) has proved invaluable in understanding and improving the complicated regime of subsidies and other programs that undergird our agriculture industry. Lack of transparency would create an environment ripe for fraud and misuse.

USDA already expects to spend [\\$35.2 billion](#) in supplemental and ad hoc disaster assistance payments to producers in 2025, dwarfing all other direct programmatic expenditures to farmers. Our unsustainable debt and a rapid succession of ad hoc spending indicate significant farm safety net shortcomings. In the long term, reforms are necessary to make the agriculture industry and the taxpayer subsidized financial safety net more resilient and responsive to a changing economic landscape. More immediately, USDA should take prudent measures to direct aid to where it is needed most and avoid unnecessary spending or waste that could further exacerbate our fiscal outlook.

Sincerely,

R Street Institute
Farm Action Fund
Land Core
National Taxpayers Union
Soil & Climate Alliance
Taxpayers for Common Sense
Taxpayers Protection Alliance