

Vital Briefing—Tariff Insights

Farm sector concerns about U.S. tariff policies move to political forefront

By [Thomas Thompson](#)

USDA is readying *ad hoc* relief payments it expects to pay farmers next year. Last week, on December 8, the Trump administration published a framework for its upcoming payments to U.S. crop farmers. Payments are expected to be released by the end of February 2026.

Secretary of the Treasury Scott Bessent and Secretary of Agriculture Brooke L. Rollins joined the president to [announce](#) the program that, according to the administration's press release, "will make \$12 billion available in one time bridge payments to American farmers in response to temporary trade market disruptions and increased production costs."

Eleven billion of the total outlay announced by USDA will go to row-crop farmers. Row crops include corn, soybeans, wheat, cotton, rice and peanuts, for example. Another billion will go to sugar and "specialty crop" farmers of fruits, vegetables, nuts and flowers.

Payout schedule. The deadline for U.S. farmers who qualify for Farmer Bridge Assistance (FBA) payments to update and correct their acreage reports is Friday, December 19.

According to several university-affiliated agricultural economists, payments on a flat per-acre basis for the major field crops covered by the FBA are estimated to be \$46 for corn, \$25 for soybeans, and \$39 for wheat,

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among others. University of Illinois Professors Nick Paulson and Gary Schnitkey and Ohio State University Professor Emeritus Carl Zulauf [published](#) their forecasts for the per acre payments on December 16 in a U of I blog, *farmdoc daily*.

On December 18, USDA is set to publish updated 2025 cost-of-production estimates. Specific USDA payment levels are scheduled to be released the week of December 22.

Spreading blame. The temporary program has been rolled out in the shadow of a sharp falloff in purchases of U.S. agricultural products, especially soybeans, as China countered Trump's tariffs on Chinese goods with its own 47 percent tariff on soybean and other farm imports from the United States.

The agriculture secretary places blame on the previous administration for causing the problems that is forcing the Trump administration to provide support. In the USDA press release announcing the FBA, Rollins said, "Four years under the failed Biden Administration continues to leave the American farm economy reeling from record inflation, a depleted farm safety net, and delayed disaster assistance."

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Nonetheless, on Tuesday, Bessent [told](#) the Fox Business network the Chinese "have lived up to every part of negotiations so far."

The \$12 billion in FBA outlays comes on top of "a near-record \$40 billion in total

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government payments [to farmers] this year,” according to a [report](#) by Reuters. But according to Caleb Ragland, president of the American Soybean Association, the FBA will address only about a quarter of the soybean industry’s losses.

During Trump’s first administration, his China trade policies led to compensatory payments to U.S. farmers of about \$23 billion.

Potash on the trade agenda. At a roundtable discussion on December 8, after he announced the FBA payments, Trump said that he might levy significant new tariffs on imports of Canadian potash. Canada is the largest producer of potash, a key component of fertilizer.

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Ranked ninth by potash production, the U.S. relies on imports from Canada, which produces 35 times more potash than the U.S. Russia is the second-largest producer, with Belarus close behind. Russian potash remains sanctioned.

Higher tariffs on Canadian potash would likely lead to higher fertilizer costs for U.S. farmers. In March, Trump included Canadian potash with energy imports that he tariffed at 10 percent.

There was no apparent potash market reaction to Trump’s threats according to Argus, a commodities market intelligence service based in London. Argus [quoted](#) a distributor saying that the fertilizer market is “numb” to such comments.

On December 13, a few days after threatening Canada’s potash producers, Trump lifted U.S. sanctions on Belarus’s potash exports as part of a deal that saw 123 political prisoners freed by the Belarusian government. The deal resulted from two days of direct negotiations by a U.S. special envoy.

Trump had been in touch with Belarusian officials since at least August when he [wrote](#) on Truth Social that he had reached out to “the highly respected President of Belarus, Alexandr Lukashenko,” to thank him for releasing 16 political prisoners. With a reputation for authoritarian rule, Lukashenko is not recognized as that country’s president by the EU. Belarus remains a close ally of Russia.

The Belarusian economy has been hit by Western sanctions that were put in place in 2021 and then more tightly enforced after Russia invaded Ukraine in 2022. China now imports about 70 percent of Belarus’s production.

Potash is viewed as that country’s only marketable natural resource of any significance. Trump may be ready to help develop an American appetite for it, although market forces will help determine if U.S. farmers can afford it.