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TRUMP'S NEW TRADE AID RAISES QUESTIONS ABOUT ENDGAME

Tariff fights one of many issues in agriculture economy being ignored

MINNEAPOLIS—The Trump administration's latest trade aid package for farmers announced today is the result of an erratic and incoherent trade policy that appears to include little advance planning or an endgame, according to the [Institute for Agriculture and Trade Policy](https://www.iatp.org/) (IATP).

In response, [Ben Lilliston](https://www.iatp.org/people/ben-lilliston/), IATP's Director of Climate and Rural Strategies, issued the following statement:

"Farmers are struggling under the weight of five years of lower incomes and frequent below-cost prices. Global agribusiness firms that operate in multiple countries can weather—and even profit from—the trade disruptions the Trump administration is creating, but farmers don't have near the same flexibility or market influence. The need for another round of trade aid just months after the initial aid package points to the risks of writing a Farm Bill that is dependent on a volatile export market.

"Following the first trade mitigation payments in late 2018, President Trump and Secretary of Agriculture Sonny Perdue promised it would be a one-time initiative because a new U.S.-China trade deal would soon be in place. At best, they badly miscalculated. The previous aid package included large government purchases from global meat companies, payments to farm investors living in cities and loopholes that allowed bigger partnership operators to profit more than their share.

"The irony is that while the Trump administration is supporting this new round of trade aid, it is simultaneously opposing disaster aid for farmers recovering from a series of recent extreme weather events, including Midwest floods. These extreme weather events are growing in frequency and intensity due to climate change, yet the administration's budget proposal earlier this year would have slashed farm and rural development programs critical to farmers and their resiliency.

"The new trade aid package is not a plan to make farmers whole, nor does it address core problems in the agriculture economy—like crippling over-production or the loss of competition due to the growing market power of a handful of global corporations. Unfortunately, the Trump administration seems set on creating conditions for continuous trade aid."

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Based in Minneapolis with offices in Washington, D.C., and Berlin, Germany, the Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems.