One Mission. Community Banks.

July 2026

ICBA Legislative Update: Financial Assistance for Farmers

The productivity of the American farmer feeds our nation and meets a portion of demand for consumers around the world. However, in recent years many producers have been struggling with high input costs and low commodity prices, threatening their livelihoods. ICBA calls on Congress to pass additional farm financial assistance as a temporary means to strengthen the farm economy until pending economic and trade issues can be resolved on a longer-term basis.

The productivity of the American farmer feeds our nation and meets a portion of demand for consumers around the world. However, in recent years many producers have been struggling with high input costs and low commodity prices, threatening their livelihoods. ICBA, which represents 45,000 bank locations nationwide, calls on Congress to pass additional farm financial assistance as a temporary means to strengthening the farm economy until pending economic and trade issues can be dealt with on a longer-term basis.

Background & Need for Farm Financial Aid Package

Recognizing the struggles that many farmers have been facing, the Administration authorized a $12 billion farm bridge assistance program in December 2025. In June, the Administration requested an additional $11 billion in farm aid as part of a supplemental appropriations bill before Congress, including $10 billion for row crops and specialty crops.

While helpful, an additional package of up to twice this amount ($20 - $24 billion) is needed to bring producers closer to break even, support specialty crops, deal with weather disasters and address the impact of the Iranian conflict.

Producers have been stricken by high production costs (i.e., fertilizer and diesel prices) and low crop prices, causing costs to exceed incomes. Many producers do not have positive cash flow, a key consideration for loan approvals and renewals. These challenges are typically caused by unique circumstances beyond the control producers have available through their own risk mitigation strategies. Community banks, which supply 80 percent of all agricultural loans from the banking sector, will continue to work with their borrowers, but many farmers may simply decide to exit agriculture altogether to preserve their operation’s equity by avoiding another year of losses unless additional assistance is provided on a timely basis.

866-843-4222
icba.org

1100 New York Avenue NW
Suite 500 East
Washington, DC 20005

518 Lincoln Road
P.O. Box 267
Sauk Centre, MN 56378

An increase in USDA guaranteed farm loan limits to $3.5 million for ag real estate and $3 million for ag operating loans would also allow community banks to assist more family farmers. These loans are often made by community banks with a 90 percent USDA guarantee and have low default rates.

Recommendations to Address the Ag Sector's Current Economic Challenges

- Approve a financial aid package of approximately $20 - $24 billion to address economic losses for row crop and specialty crop producers as well as those impacted by major weather-related disasters; and

- Authorize an increase in loan limits for producers seeking USDA guaranteed farm loans to $3.5 million for ag real estate loans and $3 million for ag operating loans.

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