

U.S. Senate Committee on the Judiciary  
*Pressure Cooker: Competition Issues in the Seed and Fertilizer Industries*

October 28, 2025

Questions for the Record

**Mr. Caleb Ragland**

**Senator Charles Grassley**

1. High concentration in the crop-input supplier market can erode a farmer's leverage to fairly negotiate on a level playing field, create fear of retaliation, limit choices, and ultimately results in a more expensive Farm Bill "safety net" that puts American taxpayers on the hook for the bill. Is the Farm Bill safety net actually reaching farmers themselves, or have farmers essentially become a pass-through to crop input suppliers?

*ASA has reviewed publicly available studies on the net transfer of government subsidies through farms to input suppliers, and the conclusions vary widely. While the pass-through benefits to input owners and suppliers are influenced by program design, we cannot say with certainty that farmers currently receive an ineffective level of programmatic assistance. Additionally, the data may be distorted because in some cases benefits are only provided when adverse outcomes occur. Without academic consensus and because of the complexity of the safety net system, ASA cannot conclude that farmers have essentially become a pass-through for crop input suppliers. However, it is important to note that soybeans have received a relatively small amount of Title 1 benefits from the farm bill when compared to other commodities.*

2. Does the American Soybean Association (ASA) plan to conduct a study on how concentration in U.S. agriculture impacts prices and farmer choice?

*ASA has not done an analysis to provide an informed position regarding the impacts of consolidation on input costs and options for growers. Two actions that may provide better analysis of the impact of consolidation are the joint U.S. Department of Justice and USDA investigation into agribusiness competition and the Fertilizer Research Act. These initiatives, taken together, may provide insight into what affects prices and how farmers could benefit from market oversight.*

3. You testified about the high costs of seed and fertilizer. To what extent would further margin compression from rising input costs force you to shut down your farming operation, and how soon could that outcome occur if there is no relief?

*Each farm has a unique cost structure<sup>1</sup>. Older, larger, and more established operators tend to have enough equity reserves to withstand some economic pressures, including increased input costs. But smaller operations and younger farmers who are just starting out often have not had the time to build the equity and/or real estate portfolio to have the same financial and operational flexibility when margins are this tight. The number of farms in the U.S. has already declined by 14,950 farms (1%) over the most recent reporting year, leaving 1.88 million farms in operation<sup>2</sup> as of 2024. This number is likely to increase as more farmers face financial pressures in 2025.*

4. During the hearing, it was noted that farmers cannot freely mix and match genetically modified (GM) seeds with different agrochemicals. Has this constraint further restricted your choice of cropping systems, beyond the limitations imposed by your region, weather, or soil conditions? If so, please describe specifically how this has affected your farming decisions.

*Yes, it is true that certain seed varieties are often bundled for use with a specific chemical to ensure the best outcome and effectiveness for the farmer. While this may prove challenging for producers, this is why it is increasingly important that growers have access to all the tools in the toolbox in order to choose the best product for their operations. ASA continues to encourage the Environmental Protection Agency (EPA) to move forward with new chemistry registrations so the newest and most up to date technology is available. Additionally, prioritizing research is an essential part of providing growers with the options they need and deserve to efficiently produce a crop. Less innovation will mean less options for growers to choose from.*

---

<sup>1</sup> Lim, K., McFadden, J., Miller, N., & Lacy, K. (2024). *America's farms and ranches at a glance: 2024 edition* (Report No. EIB-283). U.S. Department of Agriculture, Economic Research Service. <https://ers.usda.gov/sites/default/files/laserfiche/publications/110560/EIB-283.pdf?v=73025>.

<sup>2</sup> USDA National Agricultural Statistics Service, *Farms and Land in Farms: 2024 Summary*, (Feb. 14, 2025), <https://esmis.nal.usda.gov/sites/default/release-files/5712m6524/z316rz25j/db78w849h/fnlo0225.pdf>.

## Senator Corey Booker

1. In a typical year, China buys more than half of all U.S. soybean exports.<sup>3</sup> In President Trump's first term, soybean farmers lost significant market share when China imposed retaliatory tariffs on American soybean markets.<sup>4</sup> However, President Trump's new tariff policies have had even more disastrous impacts on American farmers. Not only have farmers failed to regain market share lost during President Trump's first term, but the President's new obstructionist tariff policies led to effectively no soybean exports in June, July and August of this year.<sup>5</sup> As Argentinian and Brazilian farmers are increasing exports to fill these gaps, American farmers will permanently lose critical international export markets.
  - a. In your opinion, what are the impacts of President Trump's new tariff policies for your associations' members?

*There are multiple ways tariffs can impact U.S. soybean farmers. As outlined in my testimony before this committee, U.S. agriculture is reliant upon imports for key inputs like pesticides, fertilizer, and agriculture equipment components. Tariffs imposed on imports utilizing both the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962 lead directly to increased costs for farmers when purchasing inputs.<sup>6</sup> During the 2018 trade dispute and original Section 232 tariffs on imported steel and aluminum, domestic equipment production costs increased a staggering 78%, according to the Association of Equipment Manufacturers.*

*The utilization of tariffs can also lead to retaliatory tariffs by U.S. trading partners, as we have seen both in 2018 and in 2025 from China. In 2018, President Trump levied tariffs on imports from China under Section 301 of the*

---

<sup>3</sup> Joana Colussi & Michael Langemeier, *U.S. Soybean Harvest Starts with No Sign of Chinese Buying as Brazil Sets Export Record*, FARMDOC DAILY (Sept. 22, 2025), <https://farmdocdaily.illinois.edu/2025/09/us-soybean-harvest-starts-with-no-sign-of-chinese-buying-as-brazil-sets-export-record.html>; Philip Luck, Hugh Grant-Chapman, and Duc Minh Nguyet (Moon) Nguyen, Center for Strategic & International Studies, *When a Trade War Becomes a Food Fight* (Oct. 21, 2025), <https://www.csis.org/analysis/when-trade-war-becomes-food-fight>.

<sup>4</sup> Tad DeHaven, *Trump's Trade Wars Harm Farmers and Taxpayers*, CATO AT LIBERTY BLOG (Mar. 26, 2025), <https://www.cato.org/blog/trumps-trade-wars-harm-farmers-taxpayers>; U.S. Dept. of Agric., Econ. Rsch. Serv., *The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture* (Jan. 2022), [https://ers.usda.gov/sites/default/files/\\_laserfiche/publications/102980/ERR-304.pdf?v=65376](https://ers.usda.gov/sites/default/files/_laserfiche/publications/102980/ERR-304.pdf?v=65376).

<sup>5</sup> Joana Colussi & Michael Langemeier, *U.S. Soybean Harvest Starts with No Sign of Chinese Buying as Brazil Sets Export Record*, FARMDOC DAILY (Sept. 22, 2025), <https://farmdocdaily.illinois.edu/2025/09/us-soybean-harvest-starts-with-no-sign-of-chinese-buying-as-brazil-sets-export-record.html>; Philip Luck, Hugh Grant-Chapman, and Duc Minh Nguyet (Moon) Nguyen, Center for Strategic & International Studies, *When a Trade War Becomes a Food Fight* (Oct. 21, 2025), <https://www.csis.org/analysis/when-trade-war-becomes-food-fight>.

<sup>6</sup> North Dakota State University Agriculture Trade Monitor, *IEEPA Tariff Escalation: What It Means for U.S. Food and Ag-Input Imports*, Exhibit 8, [IEEPA Tariff Escalation: What It Means for U.S. Food and Ag-Input Imports](#)

*Trade Act of 1974, starting a tit-for-tat trade war between our two global economies. In response, China applied retaliatory duties against U.S. soybeans that reached up to 27.5%. These duties, combined with uncertainty in the trade relationship, severely constrained U.S. soybean exports to China. While that tariff battle was granted a reprieve when the U.S.-China Phase One agreement was signed January 15, 2020, it has since reignited after the imposition of IEEPA tariffs against China earlier this year. Following the October meeting between President Trump and President Xi that resulted in preliminary purchase commitments of our crop, the majority of retaliatory tariffs were removed. However, U.S. soybeans into China still face a 10% tariff differential compared to soybeans of South American origin. Retaliatory tariffs decrease the price competitiveness for Chinese customers and relegate U.S. soybeans to a less desirable status.*

- b. What are the short-term consequences of President Trump's tariff policies?

*As outlined in my full written testimony, tariffs can immediately lead to increased costs for farmers who are reliant upon imports for inputs. Tariffs also lead to decreased market access as global trading partners impose their own tariffs in response to U.S. tariffs, decreasing the value of U.S. commodities – like soybeans – in those important markets.<sup>7</sup>*

- c. What are the long-term consequences of President Trump's tariff policies?

*In addition to the economic damage imposed by tariffs, the utilization of tariffs can also lead to long-lasting consequences. U.S. soybean farmers are familiar with these consequences, as our industry was a major target during the 2018 trade war. While the Phase One agreement alleviated the pressure imposed by tariffs and restored market access, the reputation of the U.S. soy industry as a reliable provider of soybeans and soy products in global markets has been irrevocably damaged. Section 301 tariffs and the retaliatory trade actions have jeopardized our place in export markets, undermined the reliable reputation of the U.S. as a trading partner, and thus have damaged in-country relationships developed over decades and incentivized further competition from Brazil.<sup>8</sup>*

---

<sup>7</sup> North Dakota State University Agriculture Trade Monitor, *IEEPA Tariff Escalation: What It Means for U.S. Food and Ag-Input Imports*, Exhibit 8, [IEEPA Tariff Escalation: What It Means for U.S. Food and Ag-Input Imports](#)

<sup>8</sup> American Soybean Association, *Soybeans Without a Buyer: The Export Gap Hurting U.S. Farmers*, <https://soygrowers.com/wp-content/uploads/2025/08/China-Trade-Paper-FINAL.pdf>

2. Researchers recognize that thriving mid-sized farms can boost resilience in the face of extreme weather, pandemics, and other disruptions.<sup>9</sup> However, for decades, the number of midsize farms has been declining.<sup>10</sup> Consolidation within the agricultural sector, predatory contracting, and vertical integration have made market access difficult for mid-scale farmers. Today, many midsize farms cannot successfully compete in commodity markets.<sup>11</sup>

- a. How has consolidation in the agricultural sector impacted your members which are mid-sized farms?

*Soybean farmer income is impacted by many factors including weather, trade, biofuel policies, pesticide and seed technology approvals, government programs and many other factors. While consolidation has been occurring, the trend has not occurred in a vacuum. The interconnectedness of markets and inability to observe the counterfactual render disentangling effects a difficult endeavor. As noted in our testimony, ASA has not done a focused analysis on the impacts of agribusiness consolidation. That being said, ASA is actively engaged with membership to better analyze this issue.*

- b. Would increased competition in the seed and fertilizer industry help small and mid-sized farm viability? How?

*ASA's philosophy and policies regarding the seed industry are pro-innovation, pro-competition, pro-free enterprise, and support for limited government intervention in the marketplace. Where government intervention is warranted, it should be to ensure a competitive marketplace, fair competition, and farmer choice. In the U.S., most soybeans are biotechnology varieties, with 95 percent of soybeans planted in 2021 containing at least one recombinant biotech trait. Several trait developers integrate biotech traits into their own germplasm, while others license traits to competitors or other seed companies that are not developers.*

*During a period of industry mergers that took place several years ago, many soybean growers had concerns that market consolidation might result in limited competition, slower development of traits and new soybean varieties, and increased seed costs. Thankfully, due to the responsible manner in which the*

---

<sup>9</sup> Supporting Midsized Producers, MULTISTATE RESEARCH FUND IMPACTS (Dec. 2023), <https://www.mrfimpacts.org/single-post/supporting-midsize-producers>.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

*mergers and acquisitions were executed, soybean growers have generally not experienced these negative outcomes. Growers continue to have access to numerous varieties containing quality, high-yielding germplasm. We are currently observing robust competition between developers who provide dicamba herbicide-tolerant seed varieties and 2,4-D herbicide-tolerant varieties. Through regular engagement with market participants, we are also aware of other traits and varieties in development pipelines that will offer additional options to soybean farmers in future growing seasons.*

*Fertilizer alone is projected to account for 20 percent of operating costs for soybean farmers.<sup>12</sup> Prices for the two main fertilizers used on soybeans, phosphate and potash, have experienced dramatic increases due to international market volatility. Phosphate prices have increased by 60 percent in the past decade, and the price of potash rose nearly 10 percent this year alone.<sup>13</sup> Having more domestic sources of these fertilizers would reduce reliance on foreign supply chains and offer more stable pricing.*

---

<sup>12</sup> <https://www.ers.usda.gov/data-products/commodity-costs-and-returns>

<sup>13</sup> <https://www.dtnpf.com/agriculture/web/ag/crops/article/2025/09/03/mixed-prices-fertilizers>