

JB PRITZKER, GOVERNOR · JERRY COSTELLO II, DIRECTOR

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CONTACT:

Lori.Harlan@illinois.gov

IDOA Director Testifies at Illinois General Assembly Subject Matter Hearing on Federal Funding Cuts and Tariffs

Springfield, IL – Illinois Department of Agriculture (IDOA) Director Jerry Costello II, along with key stakeholders representing farmers, research institutions, and food banks, appeared before the General Assembly’s House Agriculture & Conservation Committee hearing to discuss federal funding cuts and tariffs – which amount to taxes on working farmers.

Costello’s testimony in Springfield focused on several agreements between USDA and IDOA, including the [Local Food Purchase Assistance Program \(LFPA\)](#) and the [Resilient Food Systems Infrastructure Program \(RFSI\)](#). Illinois was the only state in the nation to prioritize socially disadvantaged farmers. These same farmers will lose over tens of millions of dollars in fair market value payments for crops and livestock they are currently raising as well as the ability to invest in infrastructure for growth and sustainability.

The purpose of the LFPA program is to “maintain and improve food and agricultural supply chain resiliency.” The cooperative agreements between USDA and states allow states “to procure and distribute local and regional foods and beverages that are healthy, nutritious ... and meet the needs of the population.” The program was intended to serve “food banks and organizations that reach underserved communities” and would help “build and expand economic opportunity for local and underserved producers.”¹ The intent of the program is to target socially disadvantaged farmers.²

“LFPA was designed to support both ends of the food chain – farmers and those they feed. Cutting the funding leaves farmers on the hook for expenses they incurred believing they would be reimbursed and leaves our most vulnerable, food-insecure communities without meat, fresh produce and other nutritious donations they were promised,” **said IDOA Director Jerry Costello II.** “The federal government broke its promise, and the people of Illinois are paying the price.”

IDOA announced on January 17, 2025, an additional \$14.7 million was awarded by the federal government for this program. The USDA recently announced the funds were terminated.

The purpose of the RFSI program is “to build resilience in the middle of the food supply chain, to provide more and better markets to small farms and food businesses. The RFSI program requires farmers to make upfront investments in input costs with the promise of grant dollars to reimburse them. Without those federal funds, the program is unable to operate.

1 <https://www.ams.usda.gov/selling-food-to-usda/lfpacap>, last accessed February 28, 2025, 10:45AM Central Standard Time.

2 <https://www.ams.usda.gov/selling-food-to-usda/lfpacap/faq>, Answer to Question 8, last accessed February 28, 2025, 10:50AM Central Standard Time.

The RFSI program would have provided \$6.4 million in grant funds to build resilience in the middle of the food supply chain, supporting activities that happen after harvest and prior to retail such as processing, storing and transporting Illinois products. In recent surveys of Illinois farmers, infrastructure and equipment were identified as the greatest obstacle to creating local food systems.

“Governor Pritzker called the move ‘a slap in the face to Illinois farmers and the communities they feed’ and I couldn’t agree more,” **Costello said**. “These are federal funds that were passed by Congress, a coequal branch of government, signed into law, and promised to Illinois farmers. They have been cut with no explanation or timeline, and farmers are left to deal with the consequences.”

Other federal funding sources of concern are the USDA Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program (RCPP) which launched the successful Conservation Planner program creating a talent pipeline attracting a workforce to implement boots on the ground conservation measures; Specialty Crop Block Grants which funded research to increase the state’s competitiveness in the industry; the I-COVER program, a three-state initiative to encourage cover crop adoption and technology advances; and the agreement for state inspectors to ensure food safety at more than 190 meat and poultry processing plants in Illinois.

In addition to federal funding cuts, Costello explained to the committee the impact of Trump’s tariffs on Illinois farmers before testimony from industry groups and others.

Three countries – Canada, China and Mexico – account for 48% of all US agricultural exports, \$91 billion of the total \$191 billion exported annually.

Illinois is the third largest exporter of agricultural products in the nation. Illinois farmers export \$2 billion in products to Canada; \$2.9 billion to Mexico and \$1.9 billion to China.

“These tariffs are an attack on Illinois farmers. Countries forced to pay them may simply find new trade partners beyond the U.S.,” **Costello said**. “Illinois farmers are then left to struggle with shrinking markets on top of rising costs and declining crop prices.”

In attendance:

- Illinois Department of Agriculture
- Illinois Department of Natural Resources
- University of Illinois Extension
- Association of Illinois Soil & Water Conservation Districts
- Illinois Soybean Growers Association
- Illinois Stewardship Alliance
- Illinois Soybean Association
- Central Illinois Young Farmer Coalition
- American Farmland Trust
- Jonathan Coppes, University of Illinois College of ACES
- Down at the Farms
- Janie’s Mill
- Tulip Tree Gardens
- Eden Place Garden
- 4 Lees Farm
- Prairie Fruits Farm & Creamery
- Bartman Farm
- Midnight Sun Farm
- Cedar Valley Sustainable Farm
- Caveny Farm
- Rumblin’ Ernie Farm