



Written by [Ty Bodden](#) on August 8, 2025

States Expand Farm Subsidies, Undermining Property Rights and the Free Market

In 2025, state legislatures continued advancing farm subsidies and regulatory schemes under the guise of strengthening agriculture and food security. Though often promoted as aid to small family farms, these measures entrench unconstitutional wealth redistribution and invite greater state and federal control over private land use and production decisions. Rather than empowering farmers, such policies increasingly bind them to government dependency and erode their freedom and self-sufficiency.



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Three notable examples — [SF608](#) in [Iowa](#), [HB504](#) in [Montana](#), and [SB137](#) in [Colorado](#) — illustrate the dangerous direction many states are taking by using taxpayer dollars and coercive authority to prop up agriculture through unconstitutional redistribution and [regulatory overreach](#). These bills are used in *The New American's* [state Legislative Scorecards](#).

Iowa: Socializing Grain Risk

Passed [overwhelmingly](#) by the Iowa Legislature in May 2025, SF608 expands the [Grain Depositors and Sellers Indemnity Fund](#), a state-run account designed to reimburse grain sellers and depositors for losses due to insolvency or fraud among licensed grain dealers or warehouse operators. The law [raises the fund's minimum balance](#) from \$3 million to \$5 million and its maximum from \$8 million to \$12 million. All licensed dealers and warehouse operators regulated by the [Iowa Department of Agriculture and Land Stewardship \(IDALS\)](#) are required to pay into the fund.

The fund reimburses up to 90 percent of a claimant's losses, with a cap of \$300,000 per claimant, under strict regulatory guidelines. It covers only grain stored by or sold to licensed dealers, and claims are only accepted after triggering events such as bankruptcy or license revocation. IDALS may act as a limited receiver during liquidation, adding bureaucratic involvement to private business disputes.

While its stated purpose is to protect farmers from fraud, SF608 sets a dangerous precedent: socializing private risk through government-enforced redistribution. While the government should protect farmers' property rights and allow them to operate as they want without interference, this law is not a legitimate function of government. It burdens one sector of the agricultural industry to subsidize another, undermining free-market principles and diminishing the incentive for prudence and personal responsibility.



Agriculture Foundational to State's Economy

Furthermore, this fund expansion comes while Iowa's agricultural sector remains [foundational to the state's economy](#). According to a 2023 study commissioned by the Coalition to Support Iowa's Farmers, Iowa's 86,911 family farms contributed 32 percent more to the state economy in 2022 than in 2017. Agriculture now accounts for more than 22 percent of [Iowa's total economic output](#), and nearly one in five Iowans — more than 385,000 individuals — are employed in agriculture or ag-related industries. Notably, more than 96 percent of Iowa farms remain family-owned and operated, with an average farm size of 345 acres. SF608's passage has significant implications — not just for grain dealers and warehouse operators, but for the broader agricultural community and its economic ecosystem.

While farm regulations and subsidies currently exist, the agriculture industry's economic well-being demonstrates that Iowa farmers have the skill, resilience, and private resources to manage risk without government redistribution schemes. By forcing one segment of the agricultural industry to subsidize another, SF608 disrupts a competitive marketplace, fosters dependency, and injects state bureaucracy into a sector that has flourished precisely because of private initiative.

Unconstitutional Control

SF608's collectivist approach undermines the free-market principles that have historically guided American agriculture. Rather than promoting prudence and risk awareness, it encourages participants to depend on others' payments to cover losses — dulling incentives for vigilance and sound business practices. These ideas likely stem from [unconstitutional federal legislation](#) — such as the [Farm Bill](#) — that [distorts markets](#), [regulates states](#), [embraces corporate welfare](#), and expands government control over agriculture.

President Grover Cleveland, [the last constitutionally adherent Democrat](#), captured this principle in his [1887 veto](#) of the [Texas Seed Bill](#), which would have used federal funds to provide drought relief to Texas farmers. Cleveland famously wrote in his veto message, "I can find no warrant for such an appropriation in the Constitution." He acknowledged the suffering of the farmers and encouraged private charity, but made clear that using federal tax dollars for individual aid was not among Congress' enumerated powers. SF608 signals a troubling shift toward state-managed agriculture and away from individual liberty.

Montana: Expanding Entitlements

In [April 2025](#), the [Montana](#) Legislature passed HB504, which expands the state's [Livestock Loss Mitigation Program](#) to include [domestic bison](#). The law allows ranchers to receive compensation from public funds for [predator-related](#) bison deaths. Though predators pose real threats to livestock, the solution is not subsidies, but [private insurance](#) and [market-driven](#) risk management.

Such legislation transfers unpredictable private losses to taxpayers, further entrenching government involvement in agriculture. These programs foster dependency rather than resilience, discouraging private innovation and community solutions. As President Cleveland [stated](#), "Though the people support the Government, the Government should not support the people." By shifting unpredictable private loss onto the public, HB504 distorts economic incentives and chips away at personal responsibility.

Montana ranchers already face significant barriers to [managing predator threats due to federal overreach](#) — particularly from the [U.S. Fish and Wildlife Service](#). Despite [state-level support](#) for



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predator control, hunting of [grizzly bears remains prohibited under the Endangered Species Act](#), and [wolf management](#) is [continually challenged by environmental lawsuits](#) and federal red tape. Although wolf hunting is currently allowed in Montana, federal authorities often threaten to re-list the species or restrict management practices. This interference limits landowners' ability to protect their herds and property, forcing them to rely more heavily on state and [federal compensation programs](#) — reinforcing dependence on the very bureaucracy that created the problem.

Property rights are protected under the [Fifth](#), [Ninth](#), and [14th Amendments](#) of the [U.S. Constitution](#). Instead of expanding subsidies, [states should assert](#) their sovereign authority, affirmed by the [10th Amendment](#) and [Article VI](#), by [nullifying](#) unconstitutional government overreach and [reclaim full control](#) over wildlife management within their borders — reinstating local oversight of predator populations [without federal interference](#).

Colorado's Potato Seed Act

In yet another attack on private property and free-market agriculture, both [Colorado](#) and [Wisconsin](#) have adopted legislation that grants unelected bureaucrats sweeping control over the planting and use of seed potatoes — turning routine farming practices into regulated activities subject to government penalties.

In Colorado, [SB137](#) updates the state's Potato Seed Act to require that uncertified seed be tested by the [Colorado Department of Agriculture \(CDA\)](#). Whether a grower's seed is acceptable is now determined by the CDA, under the direction of the state's commissioner of agriculture — an unelected official with broad authority to enforce arbitrary standards.

This law centralizes agricultural decision-making in the hands of bureaucrats, and forces farmers to seek government permission to grow their own crops — a clear violation of free-market principles and an affront to constitutionally protected property rights.

Wisconsin Follows Suit

Wisconsin adopted a similar policy with the passage of [SB164](#). This law requires growers planting five or more acres of potatoes to use only seed certified by the [University of Wisconsin-Madison](#), a [leftist university](#), or an equivalent source approved by the state. [The Department of Agriculture, Trade and Consumer Protection \(DATCP\)](#) is now empowered to restrict where certain seed can be planted and destroy crops that do not comply.

SB164 imposes draconian penalties. Growers can be fined up to \$5,000 per acre, and DATCP can destroy noncompliant crops at the grower's expense. Even minor violations, such as record-keeping errors, can result in thousands of dollars in fines. Enforcement costs can even be collected through property taxes, giving the state direct financial leverage over private landowners.

These measures represent a growing trend of [centralized](#) control in American agriculture. Rather than allowing farmers and market forces to determine quality and production methods, states are handing power to regulatory agencies with little accountability. Such overreach undermines individual liberty and sets a dangerous precedent for government control over private land and livelihoods.

Biblical Foundation of Rights

The foundational truth that undergirds the American system is that our rights do not come from



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government — [they come from our Creator](#). As the [Declaration of Independence](#) recognizes, “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.” This truth affirms that rights are inherent to each individual by virtue of divine creation — not privileges granted by the state.

[Genesis 1:26](#) states, “Then God said, ‘Let us make mankind in our image, in our likeness, so that they may rule over the fish in the sea and the birds in the sky, over the livestock and all the wild animals, and over all the creatures that move along the ground.’” God’s charge to man establishes the original authority over land and life as a God-given responsibility. [Genesis 1:28-31](#) reiterates that mankind is to subdue the earth and be fruitful — a mandate affirming dominion, stewardship, and [property rights](#), also affirmed in the [Ten Commandments](#).

Undermining Economic Liberty

The [Ninth Amendment](#) to the U.S. Constitution recognizes this broader foundation of liberty: “The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.” These retained rights, grounded in natural law and divine endowment, further reinforce that government’s role is not to dispense rights, but to protect them.

Among these God-given rights is the right to rule over nature and cultivate plants for food. Government interference in agriculture, whether through burdensome regulations, subsidies, price controls, or land-use restrictions, directly violates these foundational principles. When civil authorities presume the power to dictate how land is used, what crops may be grown, or who may access markets, they intrude upon the Creator-ordained stewardship and economic liberty of farmers. Such interference not only undermines [property rights](#), but disrespects the divine order by placing the state above the individual’s God-given duties and freedoms.

The Declaration of Independence further states, “When in the Course of human events, it becomes necessary for one people to dissolve the political bands ... they should declare the causes which impel them to the separation.” Among those causes was the usurpation of God-given rights by tyrannical government. The same warning applies today, as centralized schemes erode the Creator-endowed liberties of those who work the land.

The Cost of Government Control

Throughout [history](#), [government](#) agricultural support has come with strings attached. During the 1930s, federal programs such as the [Agricultural Adjustment Act](#) and President Franklin D. Roosevelt’s [New Deal](#) dictated what crops farmers could plant and in what quantities, [undermining free enterprise and farmer autonomy](#). Today’s [subsidies](#) bring similar [mandates](#): [environmental regulations](#), [land-use restrictions](#), [crop rotations](#), and [labor directives](#). Farmers who take government money find themselves forced to conform to government preferences rather than market demands. Participation in [U.S. Department of Agriculture](#) programs frequently subjects farmers to federal environmental, labor, and land-use directives.

Such programs stifle innovation and centralize power in distant bureaucracies. What begins as assistance soon becomes coercion — undermining independence and incentivizing conformity. This kind of regulatory overreach reduces productivity and limits a farmer’s ability to make decisions rooted in local knowledge and conditions. It shifts control away from the individual steward of the land to



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unelected agencies that often lack a proper understanding of agricultural realities.

Globalist Agenda Behind Subsidies

Globalist institutions such as the [United Nations](#) and the [World Economic Forum](#) are advancing a coordinated [war on farmers](#) worldwide. [Agenda 2030](#) and [related schemes](#) seek to cap livestock emissions, restrict fertilizer use, and transfer land rights under the guise of climate control.

Nations such as the [Netherlands, Canada, and Sri Lanka](#) have already experienced the consequences: food shortages, bankruptcies, and unrest. In the United States, similar agendas are advancing via land-use restrictions, [carbon-capture pipelines](#), and [foreign land acquisitions](#). State [subsidies](#), far from being harmless, aid this broader agenda by increasing reliance on government and eroding self-sufficiency.

Real Solutions

Instead of expanding unconstitutional subsidies, states must reclaim their constitutional role in agriculture. Bills such as Missouri's proposed [Freedom to Farm Act \(SB84\)](#), highlighted by [The John Birch Society](#), would prohibit local interference with lawful agricultural activity. [Wyoming's Food Freedom Act](#) — enacted in 2015 and expanded in 2017 and 2021 — legalizes the sale of homemade and locally grown food without licensing or inspection.

These laws [empower farmers](#), protect private property, and eliminate regulatory barriers. States should follow these examples by [nullifying](#) federal mandates, rejecting land grabs such as [carbon-capture pipelines](#), [legalizing raw milk](#), [limiting foreign land ownership](#), and restoring [mutual aid](#) and private insurance options.

Choose Liberty Over Subsidy

America's farmers are not wards of the state — they are stewards of the land. Legislators must reject creeping [collectivism](#) and defend constitutionally protected rights. Once government becomes the provider, it rarely lets go. If Americans want to save agriculture, they must first save the Constitution.

To learn more, watch [Overview of America](#) and read "[Restore State Government](#)" in the October 14, 2024 issue of The New American. Join the fight locally. To learn more about how your state and federal legislators vote on issues of constitutional importance, visit TNA's [Freedom Index](#) and state [Legislative Scorecards](#). You can also stay informed about what is happening in your state legislature and in Congress by signing up for legislative alerts [here](#).



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