

AID Cuts Impact on Nepali Farmers. By Tania Karas, *Devex Dish*, 6 May 2026

The story of how U.S. aid cuts **pulled the rug out from under smallholder farmers in Nepal** is a story of [crushed potential and wasted investment dollars](#).

When the U.S.-funded Feed the Future program came to **Bhagirathi Khadka's** village in western Nepal in 2023, it was a chance to bring into production her half-acre field, which had sat barren for years. Until then, she and her husband were day laborers. But with the support of the U.S., they began cultivating maize — and made enough money per season to start setting aside savings. **It was a \$24.5 million program designed to run through 2028.** Khadka and some 20,000 other farmers in 21 rural districts of Nepal — most of them women — got access to quality seeds, irrigation technology, fertilizer, and regular guidance on managing pests and soil conditions.

But those resources were abruptly halted early last year, when the Trump administration pulled the plug on the [U.S. Agency for International Development](#), which ran Feed the Future and all the agricultural research and development programs under its umbrella. Khadka tells Devex contributor Yam Kumari Kandel that **armyworms have infested her crops, while her husband has left for a more stable job abroad.** “We don’t even know if the farmers’ hard work will be valued or not,” Khadka says.

Feed the Future was **once a flagship U.S. food security initiative**, with a budget of about \$1 billion per year. It aimed to raise smallholder farmer incomes by building supply chains from farm inputs to markets in countries such as Bangladesh, Ethiopia, Malawi, Nepal, and Tanzania. Started in the wake of the 2008 global food price crisis, it was meant to ensure poorer countries were better equipped to withstand future shocks. **But the Trump administration has cut most support** for longer-term agricultural development programs as it shifts its focus toward “lifesaving” food aid and support for U.S.-grown food commodities.

The cascade of effects is being felt throughout Nepal, where tens of thousands of farmers benefited from two earlier iterations of the Feed the Future program over the years. Many of them faced climate change, low nutrition, and economic challenges. The program introduced new farming techniques, supported alternative fertilizers, and linked farmers to compost producers — while also increasing rice production and reducing imports from India.

Now all of those gains are starting to fray. Farmers who once had access to affordable, quality seeds through the program are buying them for much higher prices on the open market, and sometimes the variety displayed on the package isn’t the same one they find inside. They’re also having to buy their own fertilizer, seeds, equipment, and irrigation technology. The agreements Feed the Future helped broker to ensure markets for the farmers’ produce are starting to crumble.

And in the face of more shocks this year — from the rises in fuel and fertilizer prices due to the Iran conflict to the coming “[Godzilla El Niño](#)” weather phenomenon — farmers like Khadka around the world **are much less able to withstand it all on their own.**

Read more: [‘I had no choice but to go abroad’ — US aid cuts hit Nepal’s farmers](#)

See also: [When Feed the Future shut down, these researchers built something new](#)

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