



12125 Woodcrest Executive Drive, Suite 100, St. Louis, MO 63141, Phone: (314) 576-1770, Fax: (314) 576-2786

### **Key Messages on Tariff Impacts March 2018**

- ASA is very concerned about the Chinese Commerce Department's announcement to impose new tariffs on 106 U.S. goods amounting to roughly \$50 billion in imports.
- China specifically announced it will impose a 25 percent tariff on U.S. soybeans.
- Soybean futures were already down nearly 40 cents a bushel the morning after this announcement. At a projected 2018 crop of 4.3 billion bushels, soybean farmers lost \$1.72 billion in value for our crop this morning alone. That's real money lost for farmers, and it is entirely preventable.
- There are ways to counter China's policies on intellectual property and information technology in a way that does not require the use of tariffs. ASA continues to ask the administration to work with soybean farmers to find ways to reduce our trade deficit by increasing competitiveness rather than erecting barriers to foreign markets.
- China imported \$13.9 billion of U.S. soybeans in 2017, 60 percent of total U.S. exports and nearly one out of every three rows of annual soy production.
- The U.S. government and farmers have partnered for decades and spent millions of dollars to establish foreign markets for U.S. soybeans. These tariffs put years of work to expand markets, as well as our livelihoods, in jeopardy.
- Brazil is already China's largest supplier of soybeans and is expanding acreage and improving its transportation system to meet China's growing demand. We can't afford to risk losing our share of this key market to Brazilian exports.
- Farm income is down 50 percent compared to 2013 and crop prices are down 40 percent in just the last five years. We should be seeking additional trade opportunities to support rural America and the rural economy, not jeopardizing agriculture's export markets.
- Operating margins are slim due to the downturn in the farm economy. Implements like tractors, combines, grain bins, fencing and feed troughs are made of steel and aluminum, and will now see higher prices.
- Increasing exports of soybeans and other agricultural products would be a positive way to reduce our trade deficit with China. Soybean growers have asked to sit down with President Trump and discuss how we can expand trade rather than restrict it.



12125 Woodcrest Executive Drive, Suite 100, St. Louis, MO 63141, Phone: (314) 576-1770, Fax: (314) 576-2786

**Quick Facts:**

- Soybeans are America's leading agricultural export, with sales of \$23 billion last year.
- China is the top market for U.S. soybeans, accounting for \$14 billion in sales, 61% of total exports and nearly 1/3 of total U.S. soybean production in 2017.
- 51% of the U.S. soy crop is exported annually.

Sources: Foreign Agricultural Service (FAS), World Agricultural Supply and Demand Estimates (WASDE)