

HOW CHINESE RETALIATORY TARIFFS WILL TAX AMERICAN AGRICULTRAL EXPORTS AND THE STATES THAT WILL BE IMPACTED

On April 2nd, new tariffs of 15% (25% on pork) went into effect on many of the iconic American exports our farmers and rural communities depend on. The tariffs are on products exported to China and are the result of China retaliating to new steel and aluminum tariffs imposed by the U.S. In many ways, these tariffs are the opening shot in a trade war. They' are also a reminder that in a trade war, American farmers are the first casualty.

The tariffs described in this report are <u>a tax on American farmers</u>. They increase the cost of exporting, depress the prices of farm futures, and end up hurting the bottom lines of farmers in states across the country. They also incentivize trading partners like China to look to other markets for their imports. That means that trading relationships that took decades to develop can evaporate overnight. And as many farmers and trade experts know, once you lose an export market it doesn't come back immediately, in fact, it often takes many years for trading relationships to recover.

As this report shows, the tariff impacts for our almond, walnut, pork, wine, cherry and many other commodity producers is significant. The report shows how the economies of certain states that depend heavily on specialty corps, nuts, and fruit will be hit hardest. In addition to retaliatory tariffs, the steel and aluminum tariffs we are imposing on other countries will also hurt many in the food and agriculture sector who rely on aluminum (beer) and steel cans (fruits and vegetables). With farm incomes already declining for many of these producers, these new tariffs are a drag on many farmers' ability to make ends meet.

These new tariffs are just the first to go into place as a result of a shift in trade policy. We are also staring down the possibility of more expansive tariffs in response to an estimated \$50 billion in tariffs the Trump administration plans to tack on to Chinese imports. The retaliation from these two actions could be a one-two punch that substantially weakens the competiveness of American agriculture.

Farmers for Free Trade will continue to work in the coming months to describe the negative impacts of these tariffs. We will also be working to amplify the voices of the many farmers who will be hurt by them. There is still time for these tariffs to be rolled back and for additional tariffs on American ag exports to be avoided. We plan to work toward that goal every day. To learn more about our effort please visit farmersforfreetrade.com.

Sincerely,

CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
CALIFORNIA
IOWA
WASHINGTON
MISSOURI
NORTH CAROLINA

\$2.6 BILLION IN EXPORTS TO CHINA IN 2017 ALMONDS, WALNUTS, PISTACHIOS, ORANGES, GRAPES, APPLES, CHERRIES, WINE, GINSENG AND PORK

UP TO

15-25%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS

\$500 MILLION IN POTENTIAL ADDITIONAL DUTIES





















Source: USDA Foreign Agricultural Service Global Agricultural Trade System Online; Pexels.

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TOP STATE IMPACTED: CALIFORNIA

ALMONDS

\$184 MILLION IN EXPORTS TO CHINA IN 2017



15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED

CALIFORNIA

WASHINGTON

MILLION

IN EXPORTS TO CHINA

IN 2017

WALNUTS

15%

\$4 MILLION IN POTENTIAL ADDITIONAL DUTIES

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS

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TOP STATES IMPACTED

CALIFORNIA

ARIZONA

PISTACHIOS

\$660 MILLION IN EXPORTS TO CHINA IN 2017



15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$99

MILLION
IN POTENTIAL ADDITIONAL DUTIES

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CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED

CALIFORNIA

WASHINGTON

\$82 MILLION IN EXPORTS TO CHINA IN 2017



GRAPES

15%

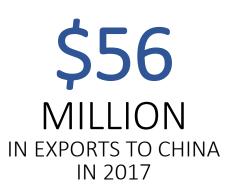
CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$12 MILLION IN POTENTIAL ADDITIONAL DUTIES

CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
WASHINGTON
CALIFORNIA
IOWA



APPLES

15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$8 MILLION IN POTENTIAL ADDITIONAL DUTIES

CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
OREGON
MICHIGAN
NEW JERSEY

\$189 MILLION IN EXPORTS TO CHINA IN 2017 **CHERRIES**



15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$28

MILLION
IN POTENTIAL ADDITIONAL DUTIES

CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
CALIFORNIA
NEW YORK
ILLINOIS
TEXAS
WASHINGTON

\$196 MILLION IN EXPORTS TO CHINA IN 2017



WINE

15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
NEW YORK
WISCONSIN
TENNESSEE
PENNSYLVANIA
OHIO

\$47 MILLION IN EXPORTS TO CHINA IN 2017



GINSENG

15%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$7 MILLION IN POTENTIAL ADDITIONAL DUTIES

CALCULATING THE COST OF CHINESE RETALIATORY TARIFFS ON U.S. AGRICULTURAL PRODUCTS IN RESPONSE TO AMERICA'S SECTION 232 STEEL AND ALUMINUM IMPORT TARIFFS

TOP STATES IMPACTED
IOWA
MISSOURI
NORTH CAROLINA
SOUTH CAROLINA
MINNESOTA

\$1.1 BILLION IN EXPORTS TO CHINA IN 2017



PORK

25%

CHINESE TARIFFS IN RESPONSE TO U.S. TARIFFS ON STEEL AND ALUMINUM IMPORTS



\$270

MILLION
IN POTENTIAL ADDITIONAL DUTIES