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Tariffs continue to hurt U.S. agricultural exports

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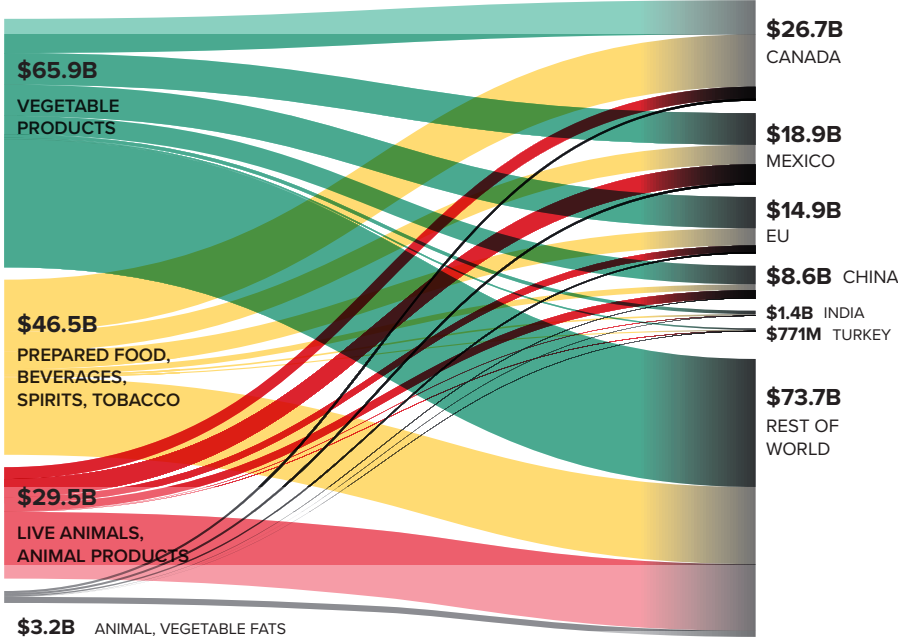
Although tariffs on U.S. exports to Canada and Mexico were lifted in May, tariffs from other countries continue to target U.S. agricultural exports. These include tariffs set by China, the EU, Turkey and India. These tariffs affect a range of U.S. products. Most notably, Chinese tariffs on soybeans have hurt U.S. soybean farmers, as China has been the leading importer of U.S. soybeans since 2003 when it overtook the EU.

As of May 15, the USDA had paid out \$8.52 billion in trade aid to U.S. farmers affected by the tariffs, from a plan announced in 2018 to pay \$12 billion. On May 23, USDA announced it would pay out an additional \$16 billion in trade aid programs for farmers affected in 2019.

Democratic lawmakers have raised concerns that tariffs and unpredictable trade policy will continue to harm U.S. agriculture. At a June 13 Senate Agriculture Committee hearing, ranking member Debbie Stabenow (D-Mich.) said 230 Michigan dairy farms closed in 2018, “in part because dairy products suddenly faced retaliatory tariffs in some of our most important export markets.”

U.S. agricultural exports, 2018

IN DOLLARS



Tariffs on imports of U.S. agricultural goods

Country	Tariffed products	Status
China	Most products now affected	First took effect 4/2/18
EU	Select prepared vegetables and legumes, grains, juice, peanut butter, whiskey	Took effect 6/22/18
Turkey	Certain nuts, rice, certain prepared food, whiskey, tobacco	Took effect 6/21/18
India	Almonds, walnuts, apples, chickpeas, lentils	Took effect 6/16/19
Canada	Coffee, prepared meats, select produce, whiskey	Tariffs lifted; in effect from 7/1/18 to 5/20/19
Mexico	Pork, cheese, apples, selected prepared produce, whiskey	Tariffs lifted; in effect from 6/5/18 to 5/20/19

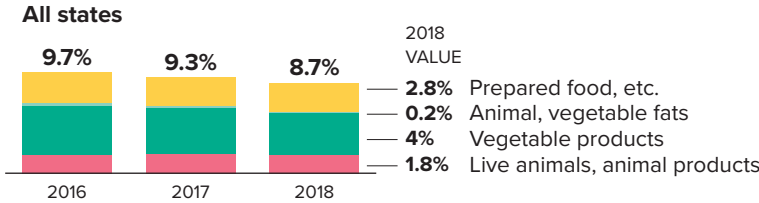
Midwest states lead ag exports as a percentage of total exports

Agricultural and food products make up a significant percentage of many Midwestern states’ exports. Top agricultural exports include beef and pork, manufactured food products, consumer products including sugar and confections and other miscellaneous products like animal feed and soybean cake.

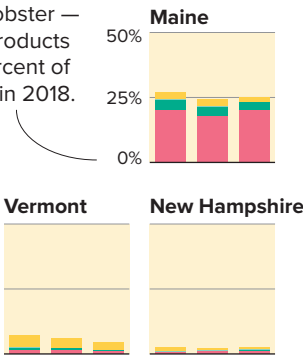
Republican lawmakers representing these states have been critical of the tariffs. In May, Sen. Chuck Grassley (R-Iowa) opposed the president’s plan to set tariffs on all goods from Mexico to force the country to curb illegal immigration. In June, Grassley said he would consider introducing legislation to reduce the president’s ability to unilaterally set tariffs, and at a June 18 Senate Finance Committee hearing, Grassley said imposing tariffs could “undermine” the U.S.

Agricultural exports by state

ANNUAL PERCENTAGE OF ALL EXPORTS

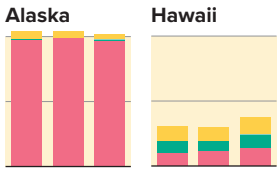


Seafood — led by lobster — and other meat products accounted for 20 percent of **Maine’s** exports in 2018.



California exported \$14.5 billion in vegetable products in 2018, led by exports of fruits and nuts.

48 percent of **Alaska’s** exports in 2018 were animal products, led by exports of frozen fish including pollock, cod and sockeye salmon.



In 2018, **Louisiana** exported \$14.8 billion in vegetable products, the most of any state. Soybeans and corn led the state’s agricultural exports.

In 2018, **Texas** exported \$2.97 billion worth of live animals and animal products (like meat), the most of any state, accounting for 1 percent of its total exports.

Sources: Congressional Research Service, USA Trade database, U.S. Census Bureau, Senate Agriculture Committee, Senate Finance Committee, POLITICO Pro staff reports

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