American Farmers Brace for Harm From Retaliatory Tariffs

web.archive.org/web/20250306220605/https://www.nytimes.com/2025/03/04/business/retaliatory-tariffs-farmers.html

Danielle Kaye March 4, 2025

Trade wars during President Trump's first term slashed billions of dollars in U.S. agricultural exports. Farmers and trade groups expect an even bigger hit this time.

A corn harvest in Minnesota. China will impose tariffs of as much as 15 percent on a wide range of food imports from the United States, including corn. Credit...Jenn Ackerman and Tim Gruber for The New York Times

By Danielle Kaye

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A trade war with China during President Trump's first term hit American farmers hard. This time, it could be worse.

On Tuesday, China's Ministry of Finance said it would add tariffs of as much as 15 percent on a wide range of agricultural imports from the United States, including chicken, wheat, corn and cotton. Beijing's retaliation for escalating American tariffs on Chinese-made products also includes 10 percent tariffs on imports of sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables and dairy products.

Without specifying which products, Canada said on Tuesday that it would impose retaliatory tariffs of 25 percent on $20.5 billion worth of American goods, and Mexico promised to outline its response on Sunday. President Trump imposed 25 percent tariffs on products from both countries on Tuesday.

Farms are a target because agricultural products account for a large portion of U.S. exports, said Lynn Kennedy, a professor of agricultural economics at Louisiana State University. Politics are probably a factor, too.

“Rural areas tend to be politically a lot more conservative, and so if you look at where Trump’s base has been, or where the Republican base is, that has a higher tendency to be some of those agricultural states and areas,” Mr. Kennedy said.

As they did during the first Trump administration, the retaliatory tariffs could mean that American exports and prices paid for crops fall — as importers from China, Canada or Mexico look to Brazil or other large agricultural producers for alternatives.

China accounted for 14 percent — roughly $24.7 billion — of all agricultural goods exported from the United States in 2024, according to data from the Department of Agriculture. Mexico and Canada imported even more: about $30.3 billion worth of goods for Mexico and $28.4 billion for Canada.

Mark Legan, a livestock and crop farmer in Putnam County, Ind., said Mexico was his top export market for pork and China his biggest for soybeans, which he sells to Cargill and Archer Daniels Midland plants in his area.

When China started to buy more soybeans from Brazil during Mr. Trump’s first term, Mr. Legan’s income “significantly decreased,” he said. His pork exports to China also fell. This time, he’s again worried about the fallout — especially since Mexico is poised to retaliate, too.

“We are fighting an uphill battle against the tariffs, to get both soybeans and pork into those markets,” Mr. Legan said. “In agriculture, we deal with uncertainty all the time, whether it’s the weather or the health of our animals. But this adds another level of uncertainty that we’re trying to deal with the best we can.”

Industry lobbying groups were quick to criticize the tariffs. Blanket tariffs on China, Mexico and Canada risk “inviting retaliation that could harm the very farmers they aim to protect,” said Shannon Douglass, president of the California Farm Bureau. Gregg Doud, chief executive of the National Milk Producers Federation, said in a statement on Monday, ahead of the new tariffs, that the group was "pushing against trade barriers that are arising as countries invent new policies that threaten to disrupt our dairy sales."

Although the Canadian government did not specify which products would be subject to its retaliatory tariffs, a plan outlined last month singled out hundreds of U.S. products that could be targeted, including food products like orange juice and peanut butter. Doug Ford, the premier of Ontario, said on Tuesday that he had ordered the removal of all U.S.-made liquor from the province-controlled alcohol distributor.

Agricultural producers of all sizes, from part-time farmers and small family farms to large ones, could take a hit as prices fall and some costs go up. Soybeans accounted for about half of U.S. agricultural exports to China last year, according to the Agriculture Department, but American soybean exporters to China compete with companies from Brazil. U.S. soybean futures fell about 1 percent on Tuesday. Futures on U.S. corn and wheat also fell.

"Farmers have already planted their crops, and they have this year's crop already in the ground and they were expecting a certain price for their product," Mr. Kennedy said. Now, he added, "there's this uncertainty about what the price will be that they'll get."

Many rural communities are already grappling with the Trump administration's abrupt freezes of federal funding on a range of programs and grants. Farmers are forced to borrow money for their machinery and are facing mounting bills, said Jill McCluskey, a professor of agricultural economics at Washington State University. If they can't get as much money for their crops because retaliatory tariffs make their commodities less competitive, "they're going to be hurting," she said.

The effects of tariffs can be uneven, and unpredictable.

Growers of organic products could benefit, because they largely sell to the domestic market and use domestic inputs. But Kate Mendenhall, the executive director of the Organic Farmers Association, said some of her organization's members were reporting higher machinery repair costs because parts come from Canada.

"It will hit in unexpected ways that we can't even appreciate right now," Ms. Mendenhall said.

Others costs could go up, too. About 85 percent of potash, a key ingredient in fertilizer, is imported from Canada, according to the American Farm Bureau Federation.

"Additional tariffs, along with expected retaliatory tariffs, will take a toll on rural America," Zippy Duvall, president of the federation, said in a statement on Tuesday. "Adding even more costs and reducing markets for American agricultural goods could create an economic burden some farmers may not be able to bear."

On an earnings call last month, Ken Seitz, the chief executive of Nutrien, a Canadian fertilizer company and the largest producer of potash in the world, said American farmers would bear the cost of tariffs. “The U.S. farmer will feel those impacts after the spring planting season,” he said.

This isn’t the first time farmers and food producers have found themselves in the cross hairs of trade wars. During Mr. Trump’s first term in the White House, China responded to his administration’s tariffs on Chinese goods with retaliatory tariffs ranging from 5 to 25 percent on many U.S. agricultural products. Those tariffs reduced U.S. agricultural exports by nearly $26 billion, according to a research report by the Agriculture Department.

At the time, U.S. soybean exports dropped to their lowest level in years. In 2018, soybean exports to China, the biggest market, fell 75 percent. A study released last year by the American Soybean Association and the National Corn Growers Association found that a new trade war would immediately drop corn and soy exports by hundreds of millions of tons — a loss in market share that would prove difficult for American growers to reclaim.

During his first term, Mr. Trump responded to China’s targeting of U.S. agriculture by providing subsidies to farmers. Whether his administration will do the same this time — and whether those subsidies will be evenly distributed to large farms and smaller producers — remains an open question.

“Farmers want to make their money from the market,” said Betty Resnick, an economist at the American Farm Bureau Federation. “They don’t want to rely on these government subsidies. But at the same time, if we’re changing their market access, they need to stay in business as well.”

Kevin Draper contributed reporting.