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In Wake of Fresh Tariffs, ASA Urges Administration to Quickly Negotiate with Countries Facing Higher Tariffs—Including China Phase 2

Farmers' fates rely on creating new market access opportunities, swiftly removing tariffs

Washington, D.C. April 3, 2025. While it was not unexpected, the resulting cloud of concern following the administration's tariff announcement is not without fallout—in the form of continued market uncertainty, the threat of lost business to existing soy markets due to potential tariff retaliation, price increases on inputs and more. The announcement of 10% baseline tariffs on all countries and additional, individualized tariff rates on approximately 60 countries impacts all of U.S. soy's Top 10 export markets. This includes #1 export market China. The new duties on China will stack atop the 20% tariffs already imposed, bringing the tariff rate on Chinese goods entering the U.S. to 54%.

Despite the gloom of increasing tariffs across the globe and what that may mean for their businesses, soybean farmers are hopeful the administration has a plan to quickly negotiate with impacted countries.

ASA President Caleb Ragland, who farms soy and other crops in Kentucky, said "We are hoping that from obstacles can come opportunity and that the administration will swiftly work with the affected countries to create new market access opportunities for U.S. soy and other U.S. products in these markets so these higher tariffs can be removed. That includes pursuing a Phase 2 Trade Agreement with China."

There is a sense of urgency for trade negotiations, as concerns about retaliatory action from key export markets are top of mind for U.S. soybean farmers. Farmers reliant on export markets have several asks of the administration, including:

- 1. Quickly Updating the U.S.-Mexico-Canada Agreement** – USMCA has been a success for soybean farmers, and soy growers strongly support continuation of the agreement. USMCA is scheduled for review next year, and ASA looks forward to working with the administration during the review process. USMCA has been critical to continuing strong growth over 40 years in agricultural and food trade in North America. We urge the administration to fold current trade issues the U.S. may have with either Canada or Mexico into negotiations for an update to the agreement before the mandated review next year. U.S. farmers and ranchers, our supply chains, and rural communities depend on trade with Canada and Mexico and do not want to suffer from loss of inputs from or exports to these important trading partners due to tariff retaliation.
- 2. Quickly Negotiating a "Phase Two" Trade Agreement with China** – China is the number one trading partner for U.S. soybeans. President Trump and his team negotiated a strong "Phase One" trade agreement with China during his first term. Unfortunately, the agreement hit

implementation snags and fell short of meeting its strong commitments. China has numerous issues that must be addressed in a Phase Two agreement, along with enforceable purchase commitments of U.S. agricultural goods. Agriculture needs a strong Phase Two agreement that addresses U.S. trade concerns and avoids a prolonged trade war. Soy farmers still suffer from negative impacts of lost market share, reputational damage, and expanded production in competitor countries stemming from China's trade retaliation in 2018-2019 before the Phase One agreement was reached.

3. Utilizing the Reciprocal Tariffs Announcement to Level the Playing Field and Create New Market Access – ASA supports the administration's goal of achieving greater fairness in U.S. trading relationships. Its reciprocal tariff strategy holds great promise for achieving new market access for U.S. agricultural goods, but ASA strongly encourages the administration to avoid punitive tariffs without negotiations to address tariff and non-tariff barriers. Tit-for-tat trade wars are not beneficial, and U.S. agriculture cannot afford them. Soy farmers urge the administration to quickly pursue agreements with priority countries so as to open market opportunities for U.S. agriculture and minimize the potential for retaliation.

ASA stands ready to work with the administration in an effort to secure and ensure soy has viable market opportunities and appreciates the administration working with agriculture to swiftly restore and bolster market access so that tariffs can be removed on key trade partners.

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The American Soybean Association (ASA) represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state associations representing 30 soybean-producing states and nearly 500,000 soybean farmers. More information at soygrowers.com.

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