



FOR IMMEDIATE RELEASE

Soybean Farmers Applaud Plan to Address Short-Term Tariff Impact

Growers to receive payments for 2018 production to offset impact of China tariff

Washington, D.C. August 27, 2018. U.S. soybean farmers reacted positively to the release by the U.S. Department of Agriculture of details for a plan to offset the short-term impact of tariffs on U.S. agricultural exports, including a 25 percent duty imposed by China on soybean imports. The package includes a Market Facilitation Program that will make payments to producers of soybeans and six other farm commodities to partially offset the impact of tariffs on their 2018 production, a program to increase USDA purchases of various impacted U.S. agricultural products, and a Trade Promotion Program to develop foreign markets for American agricultural exports. In response to the announcement, the American Soybean Association (ASA) released the following statement:

"We welcome USDA's announcement that soybean farmers will receive a payment on their 2018 production to partially offset the impact of China's tariff on U.S. soybean imports," said ASA President John Heisdorffer, a soybean producer from Keota, Iowa. "This will provide a real shot in the arm for our growers, who have seen soybean prices fall by about \$2.00 per bushel, or 20 percent, since events leading to the current tariff war with China began impacting markets in June." Heisdorffer explained, "This assistance will be particularly helpful to farmers who didn't forward-contract their crop earlier this year and who need to arrange financing for planting next year's crop."

The expected value of the 2018 soybean crop has been under increasing pressure ever since tariffs were imposed first by the U.S. and then by China on July 6. In the last two months, USDA has raised its estimate for soybean production in 2018 to a record 4.6 billion bushels, reduced its estimate for soybean exports in the 2018-19 marketing year by 230 million bushels, and projected an 82 percent increase in soybean carryover stocks to 785 million from 430 million bushels by September 2019.

Heisdorffer also emphasized that, "ASA strongly supports USDA's initiative to provide an additional \$200 million to develop foreign markets through a Trade Promotion Program. Increasing funding for market development has been a top ASA priority for this year's farm bill and is even more critical given the need to find new export markets for U.S. soy and livestock products."

"While this assistance package will definitely help our farmers get through the bad patch we're currently facing," Heisdorffer continued, "we must remain focused on market opportunities in the long term. Indications that the NAFTA negotiations with Mexico are heading toward a successful outcome are also welcome news for U.S. soybean farmers." Heisdorffer added that, "We hope a new NAFTA will build on the original agreement for U.S. soy and livestock product exports and that Canada will soon join the pact."

The ASA President concluded that, "Finalizing NAFTA will set a precedent for additional Free Trade Agreements that we need to replace part of the soybean market we are losing in China. ASA will continue to encourage the Administration to find ways to address our Nation's trade deficit by increasing exports, including in the agriculture sector."

China was the number one export market for U.S. soybean growers in 2017, importing 31%, or nearly one in every three rows of total production, equal to 60% of total U.S soybean exports.

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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 more than 300,000 soybean farmers.

For more information contact:

Wendy Brannen, ASA Communications Director, 202-684-6070, wbrannen@soy.org

Access this release online at SoyGrowers.com.