



FOR IMMEDIATE RELEASE

Trade War Only Getting Worse for Soy Farmers Fearful for their Future

Confirmation of Tariff Hikes Planned on Chinese Goods another Personal Blow to Growers

Washington, D.C. May 7, 2019. In what could easily be described as “worst case” for America’s soybean growers, the Trump Administration has confirmed what the industry has feared for months: Heavier tariffs on Chinese goods are planned for Friday, May 10.

“This is a predicament for soy growers,” said Davie Stephens, a grower from Clinton, Ky., and president of the American Soybean Association (ASA). “We understand that Mr. Trump and his Administration have broad goals they want to achieve for our country, but farmers are in a desperate situation. We need a positive resolution of this ongoing tariff dispute, not further escalation of tensions.”

U.S. Trade Representative Robert Lighthizer said Monday he plans to move forward with President Trump’s threat on Sunday to increase the tariff rate from 10 to 25 percent on \$200 billion worth of Chinese goods, citing China’s back-pedaling on prior commitments during talks in Beijing last week.

China’s retaliation against U.S. soy farmers has chilled exports to the U.S.’s most important foreign customer. China has purchased only 5 million metric tons (MMT) of its 20 MMT ‘good faith’ promise, and the original March 1 deadline for concluding negotiations has come and gone. The market has fluctuated with each development during the negotiations, including Trump’s social media posts over the weekend.

“After so many threats and missed deadlines for concluding negotiations, this ongoing uncertainty is unacceptable to U.S. farmers,” Stephens continued. “With depressed prices and unsold stocks forecast to double before the 2019 harvest begins in September, we need the China market reopened to U.S. soybean exports within weeks, not months or longer.”

ASA urges the Administration to hold off on additional tariffs and rapidly conclude negotiations with China, including lifting the existing Section 301 tariffs in exchange for China removing its retaliatory 25 percent tariff on U.S. soybeans.

Stephens concluded, “Soybean farmers have demonstrated great patience as the Administration has sought to negotiate a better trading relationship with China. However, our patience is wearing thin as prices remain low and the tariff dispute drags on. The financial and emotional toll on U.S. soybean farmers cannot be ignored.”

Growers have been reeling for almost a year now, after the President first imposed a 25 percent duty on \$50 billion worth of Chinese goods in July 2018, and later, a 10 percent duty on an additional \$200 billion worth of Chinese products, which resulted in the retaliatory tariffs on U.S. goods. That 10 percent duty was scheduled to jump to 25 percent the end of last year, but President Trump delayed

the hike after a meeting with Chinese President Xi Jinping in December, with the countries agreeing to hold off for 90 days, and then indefinitely during the ongoing negotiations until this week.

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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.

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