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KSA Concerned About the Possibility of Retaliatory Tariffs

China is U.S. soy's top customer, importing nearly \$14 billion of U.S. soybeans in 2017. That was 60 percent of all U.S. soybean exports and about 30 percent of total U.S. soybean production.

April 3, the Office of the U.S. Trade Representative (USTR) published a list of proposed tariffs on about 1,300 Chinese products. It will undergo a public notice and comment process, including a May 15 hearing. Once that is complete, USTR will issue a final determination on subjected imports.

In retaliation, China announced intended tariffs on 106 U.S. goods that amount to about \$50 billion in imports. China specifically mentioned a 25 percent tariff on U.S. soybeans, saying it would go into effect based on the administration's final course of action.

Kansas Soybean Association (KSA) First Vice President Dwight Meyer, Hiawatha, who chairs the organization's policy committee, issued the following statement in response to China's announcement.

"In 2017, according to the U.S. Census Bureau, soybeans were Kansas' fourth-ranked export -- behind civilian aircraft, wheat and fresh beef. The top five export destinations for *all* Kansas products -- not just soybeans -- were Canada, Mexico, Japan, China and Germany. The U.S. runs trade deficits with all of them.

"U.S. soybean farmers have leveraged millions of checkoff dollars with Foreign Market Development and Market Access Program funds from the federal government to establish markets for U.S. soybeans in China and around the globe. Last year, the U.S. soybean industry celebrated 35 years of trade operations in China, keeping them going over nearly 20 years without exports to that country.

"KSA has expressed its views to our congressional delegation and is grateful that they -- along with our partners within USDA -- understand how international trade supports the economy in rural America. Our members look forward to continuing our strong working relationships with them as we develop foreign markets and increase access. We encourage the White House and USTR to work with Congress, USDA and U.S. agriculture to improve our global competitiveness as a way to address our trade deficits with China and other nations.

"Kansas soybean farmers and their industry organizations are confident U.S. and Chinese negotiators can work out the underlying trade issues, and we look forward to getting back to the business of selling U.S. soybeans to China and other export markets."

