Trump offers farmers aid; they still want tariffs gone

2018-07-25

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 China Daily USA |  
 Updated: 2018-07-25 22:43

The relief plan that the Trump administration announced Tuesday doesn't appear good enough for farmers. They want removal of the tariffs.  
The administration will offer a $12 billion emergency aid package for farmers hurt by other countries' retaliatory tariffs against US agricultural products.  
The program, which will use existing funding, includes three components: direct payment to farmers of key agricultural exports; direct commodity purchases by the US Department of Agriculture; and funding to build out markets for US agricultural products.  
"It seems like a good political move for Trump, but it is a stoppage measure at best," said Larry Karp, professor of agricultural and resource economics at UC Berkeley.  
"It also shows that the trade war is really beginning to affect his base," he said.  
In the past few months, US President Donald Trump has imposed punitive tariffs on several of the country's largest trading partners, including China, Canada, Mexico and European Union.  
After the $34 billion in tariffs against China went into effect on July 6, China retaliated in kind, targeting soybeans, corn, dairy, pork and other agricultural products.  
Canada, Mexico and the European Union also struck back at Trump's tariffs on their steel and aluminum by hitting heavily exported US goods.  
The spiraling trade conflict has reduced exports and lowered prices for American farmers, who already are seeing decreased annual net income.  
Since the trade dispute between the US and China became serious in late May, US soy prices have dropped more than $2 per bushel, according to the American Soybean Association (ASA), which represents 21,000 US soybean producers.  
Last year, China imported 31 percent of US soy products, equal to 60 percent of total US exports and nearly 1 in every 3 rows of harvested beans.  
The organization predicts next year's exports to be down by 11 percent despite a near-record harvest this year.  
Compared with short-term assistance, ASA said it wants "long-term answers to the pinch of tariffs — or seeing the tariffs rescinded".  
"The American Soybean Association has consistently advised the Administration that the best way to reduce our Nation's trade deficit is by increasing exports, including of agricultural products," John Heisdorffer, ASA president and soybean grower from Keota, Iowa, said in a statement on Tuesday.  
"Since the administration has decided to use tariffs to address trade concerns with China, and China has retaliated, farmers don't have time to wait to see how this trade war turns out," he said.  
While the aid program is aimed at immediate income concerns, Dermot Hayes, pioneer chair in agribusiness at Iowa State University, noted two long-term concerns.  
"One concern is that it will remove domestic pressure to stop the war from escalating.  Another concern is that farmers will be relying on government subsidies and not the free market," he said.  
The US pork industry, which began to capitalize on unprecedented global demand this year, faces increased tariffs from its two largest export markets — Mexico and China.  
The restrictions place "American pig farmers and their families in dire financial straits", said Jim Heimerl, president of the National Pork Producers Council and a pork producer in Johnstown, Ohio.  
Exports added $53.47 to the average price — $147 — US pork producers received for each hog marketed last year.  
"We have established valuable international trading relationships that have helped offset the US trade deficit and fueled America's rural economy," Heimerl said.

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