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American farmers are now part of an escalating trade dispute between China and the US, with soybeans — the lion's share of US agribusiness with China — facing potentially the biggest hit.  
On Friday, China announced a 25 percent tariff on $34 billion worth of American products, including soybeans, corn, wheat, beef, dairy products and sorghum, effective July 6. Many of those farm products are grown in states where Donald Trump received strong support during the 2016 presidential election.  
China's move was in response to the White House announcing earlier Friday it would impose on July 6 25 percent tariffs on about $34 billion of Chinese products on a list that was previously published.  
US agricultural exports to China represent almost $20 billion annually for American farmers. Soybeans account for about $14 billion, according to the US Department of Agriculture.  
"For American farmers this isn't theoretical anymore, it's downright scary. It's no longer a negotiating tactic, it's a tax on their livelihoods," Brian Kuehl, executive director of Farmers for Free Trade, said in a statement on Friday.  
"Within days, soybean, corn, wheat and other American farmers are likely to be hit with retaliatory tariffs of up to 25 percent on exports that keep their operations afloat. When they do, they're not going to remain silent," he said.  
"The imposition of these tariffs is not only a blow to our farmers, it's a win for our competitors," Kuehl said. "When American soybeans and corn become more expensive, South America wins. When beef becomes more expensive, Australia wins. As this trade war drags on, farmers will rightly question why our competitors are winning while we're losing."  
He said that Farmers for Free Trade will continue to hold town hall meetings across the country this summer to ensure farmer's voices are being heard.  
"The message will be loud and clear: American farmers demand that elected officials support them by ending this trade war," he said.  
US soybean prices have fallen about 12 percent since March, when the US-China trade dispute began.  
China acquires about two-thirds of the world's soybeans traded, using most of them for soy protein to feed roughly 700 million pigs in the country or to make cooking oil.  
Tariffs could shrink US soybean exports to China by about 65 percent, as other countries' soybeans become a better buy, a Purdue University study said. It shows losses for US farmers could range from $1.7 billion to $3.3 billion with tariffs up to 30 percent.  
China will look to Brazil and to a lesser extent Argentina, in addition to increased domestic production, to replace American soybeans, said Wendong Zhang, a professor at Iowa State University. He said that China would end up paying more for soybeans from Brazil.  
Purdue University Professor Wallace Tyner agreed.  
"In fact, we find it is a lose-lose proposition. Both China and the US (could) lose about $2.6 billion a year in economic well-being," he wrote.  
"There is seasonality in the Chinese soybean import so that the effects will be much bigger if the tariff lingers over this fall when (the) US harvest is the predominant source.  
"If this gets resolved in the summer or (becomes) merely a negotiation technique, US farmers may not eventually get hurt that much as long as it gets resolved before October," said Zhang.  
The US would export elsewhere as Brazil takes more of the Chinese market, Tyner said. "We estimate US exports to China would fall 69 percent, but exports to the world 29 percent," he added.  
Chad Hart, an Iowa State University economist, said "the product that used to go to China will go to Europe, will go to North Africa, as we find those other markets".  
"It will slow down the market. Even with the tariffs in place, we will ship a lot of soybeans to China," Hart told the Des Moines Register. "It just won't be nearly the amount we did before. It's likely to still be our largest market even with these tariffs in place."  
But Grant Kimberley, director of market development at the Iowa Soybean Association, said "nothing can replace China".  
Grant and his father, Rick, farm 4,000 acres of soybeans and corn in Maxwell that was visited six years ago by Xi Jinping.  
Grant Kimberley said other countries will benefit from the tariffs. "It will be South America — Brazil and Argentina — parts of Western Europe — Russia and the Ukraine — that win," Kimberley said.  
Zhang said the Trump administration potentially has some programs it can use if American farmers suffer substantial losses, such as Commodity Credit Corp (CCC) loans.  
"CCC loans the farmer money with the (soybean) crop as collateral. The farmer can then default on the loan, and the CCC gets the crop. But this is uncertain and adds unnecessary complications to the farm bill discussions as well," he said.

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