**Impact on Grain Exports – USTR Chinese built/operated vessels**

1. Fees up to **$1 million** per entrance on Chinese-operated vessels.
2. Fees up to **$1.5 million** on Chinese-built vessels, scaled based on the percentage of an operator’s fleet built in China.

**US Impact**

* US ocean shipments represented nearly **60%** of total agricultural export value and **65%** by volume.
* Over **21%** of all vessels calling at U.S. ports in 2024 were Chinese-built.
* **48%** of bulk carriers used for ag exports are Chinese-built.
* Few U.S.-built alternatives (**fewer than 14 globally**), forcing reliance on taxed ships.
* Bulk agricultural exporters face **additional $372 - $930 million** in annual transportation costs.
  + Source 1: <https://www.fb.org/market-intel/farmers-caught-in-crossfire-of-chinese-ship-fee-fight>
  + <https://www.dtnpf.com/agriculture/web/ag/news/article/2025/03/24/us-ag-exports-end-fees-imposed-ships>
* Adds **$0.50–$1.20 per bushel** in costs, depending on ship size.
* Freight rates to key markets could **increase by 30–50%**.
  + Source 2: <https://www.seatrade-maritime.com/ports-logistics/us-port-fees-on-china-built-vessels-would-hit-grain-exporters>
* Wheat exports could fall **62%,** soybeans by **40%,** if fees take effect.
  + Source: <https://www.bakingbusiness.com/articles/63539-port-fees-could-slash-us-wheat-exports-by-62>

**Why is this relevant for Canada?**

* **Many Canadian flagged vessels are made in China:** making them subject to the $1.5 million fee per port call when entering U.S. ports. This would directly increase operational costs for Canadian shipping companies transporting grains to the U.S.
  + Source: <https://www.cnbc.com/2025/03/24/us-not-prepared-to-win-economic-war-against-china-built-containerships.html>
* **Congestion at ports:** shipping companies will consolidate operations to avoid multiple port calls in the U.S, which will increase freight costs.
* **90% of global container ships are Chinese-built:** fees may reduce the availability of vessels for Canadian exporters. This could lead to higher freight rates and delays during peak export seasons.