



Updated April 21, 2026

# Farm Bill Primer: Trade and Export Promotion Programs

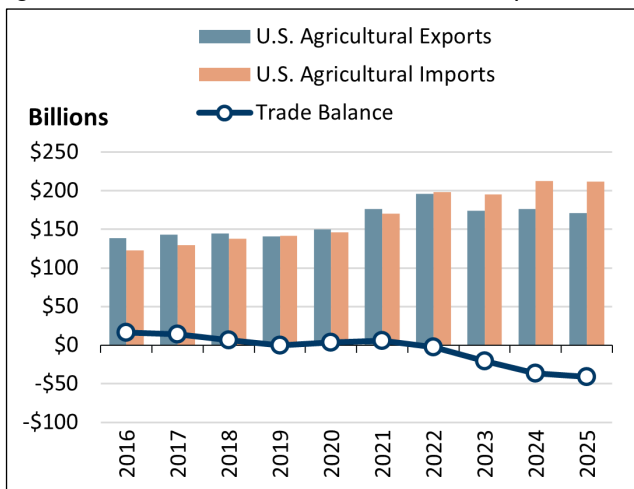
Agricultural exports are significant to farmers and the U.S. economy. With the productivity of U.S. agriculture growing faster than domestic demand, farmers and agriculturally oriented firms rely on export markets to sustain prices and revenue. The trade title of the Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334) authorized export market development programs and export credit guarantee programs from FY2019 to FY2023 to expand foreign markets for U.S. farmers and food manufacturers. Subsequent legislation extended the authorizations through FY2026 (P.L. 119-37). These market expansion programs derive their statutory authorities from the Agricultural Trade Act of 1978 (P.L. 95-501), as amended. The trade title of the 2018 farm bill also includes international food assistance programs and international technical assistance and exchange programs and provisions, which are not addressed in this In Focus.

## Trade Situation Overview

In 2025, U.S. food and agricultural exports totaled \$171 billion, and U.S. imports totaled \$212 billion, resulting in a trade deficit of \$41 billion (Figure 1) according to U.S. Department of Agriculture (USDA) data. Bulk commodities, such as corn, soybeans, wheat, cotton, and rice, are the leading U.S. farm exports. Leading consumer-oriented exports include tree nuts, dairy, meat and poultry, fruits, and vegetables. In 2025, about 50% of U.S. agricultural exports were destined for the top four U.S. export markets: Mexico, Canada, the European Union, and Japan.

**Figure 1. Value of U.S. Agricultural Trade**

Figure is interactive in the HTML version of this report.



**Source:** CRS from USDA's Global Agricultural Trade System data. Data are not adjusted for inflation. Trade balance constructed as imports subtracted from exports.

The U.S. agricultural trade surplus peaked at \$40.1 billion in 2011. It has since fallen and was a trade deficit in 2019 and between 2022 and 2025. Many attribute the rise in U.S. food and agricultural imports to increasing domestic demand for imported, consumer-oriented goods such as fruits, vegetables, alcoholic beverages, beef, and coffee products.

## Trade Provisions in the Farm Bill

The trade title of a farm bill generally contains reauthorizations and amendments for agricultural export programs and other trade-related provisions.

### Export Market Development Programs

Export promotion programs are authorized under a single Agricultural Trade Promotion and Facilitation (ATPF) umbrella program administered by USDA. Programs are authorized to receive mandatory funding of \$255 million annually through FY2026, as extended (7 U.S.C. §5623, P.L. 119-37).

- **Market Access Program (MAP)** provides cost-sharing of overseas marketing and promotional activities that help build commercial markets for U.S. agricultural exports (no less than \$200 million per year).
- **Foreign Market Development (FMD) Cooperator Program** funds projects that address long-term opportunities to reduce foreign import constraints or expand export growth opportunities (no less than \$34.5 million per year).
- **E. (Kika) de la Garza Emerging Markets Program** provides cost-sharing for technical assistance to support generic U.S. agricultural exports (no more than \$8 million per year).
- **Technical Assistance for Specialty Crops** funds projects addressing sanitary and phytosanitary (SPS) and technical trade barriers to U.S. specialty crop exports (\$9 million per year).
- **Priority Trade Fund** supports activities to access, develop, maintain, and expand markets for U.S. agricultural exports (\$3.5 million per year).

The farm bill authorizes USDA to fund MAP and FMD activities in Cuba, which otherwise would be prohibited (7 U.S.C. §5623(f)(4)).

### Export Credit Guarantee Programs

The farm bill authorizes \$1 billion in export credit guarantees annually through FY2026, as extended, for

exports to emerging markets (7 U.S.C. §5622 note, P.L. 119-37). Additionally, \$5.5 billion is available annually with no funding expiration date (7 U.S.C. §5641(b)). Export credit guarantees are carried out under two programs.

- **GSM-102 Program** provides credit guarantees to finance commercial U.S. agricultural exports mainly to developing countries.
- **Facility Guarantee Program** provides payment guarantees to improve or establish agriculture-related facilities in emerging markets.

Under these programs, the Commodity Credit Corporation (CCC) provides payment guarantees on commercial financing and assumes the risk of default on payments by the foreign purchasers on loans to facilitate U.S. exports.

### Other Export-Related Provisions

The farm bill authorizes appropriations for the Biotechnology and Agricultural Trade Program with discretionary funding of \$2 million through FY2026, as extended (7 U.S.C. §5679, P.L. 119-37). The program funds grants for public and private sector projects that address nontariff regulatory barriers (e.g., SPS) to U.S. agricultural exports.

### Administrative Actions

For FY2024 and FY2025, USDA allocated \$300 million annually for a new export promotion program called the Regional Agricultural Promotion Program (RAPP). In November 2025, USDA announced \$285 million in funding availability for the America First Trade Promotion Program (AFTPP), a new export promotion program that runs through FY2028 and operates under RAPP regulations (7 C.F.R. §1489). AFTPP and RAPP are authorized and funded by the CCC Charter Act (15 U.S.C. §714c(f)).

USDA uses the same CCC authority to fund the Quality Samples Program (QSP), which promotes U.S. agricultural products. QSP is annually funded at \$2.5 million.

### FY2025 Budget Reconciliation Law

The FY2025 budget reconciliation law (P.L. 119-21) is to provide USDA \$285 million annually from mandatory CCC funding for a supplemental agricultural trade promotion program indefinitely starting in FY2027 (7 U.S.C. §5623a).

### Issues and Options

As Congress considers a next farm bill and issues related to U.S. agricultural trade promotion, it may evaluate, reauthorize, modify, or end existing programs or establish new programs and initiatives. Congress may also evaluate U.S. agricultural trade policy and objectives.

**Export Promotion Programs.** Critics of export promotion programs claim the programs provide federal support for activities that private firms could otherwise fund.

Supporters claim the programs keep U.S. agricultural products competitive overseas, diversify market opportunities, help generate additional farm income, and increase farm and food sector jobs. Some U.S. agricultural

trade and producer groups have sought increased funding for export promotion and market development programs.

**Trade Policy.** Some U.S. government officials and industry stakeholders have expressed interest in addressing certain policies of U.S. trading partners that may be impeding U.S. agricultural exports; others seek to address foreign export and import competition. The Office of the U.S. Trade Representative's (USTR's) annual *National Trade Estimate Report on Foreign Trade Barriers* for 2026 highlights a range of tariff and nontariff trade barriers.

### Overview of H.R. 7567 Trade Provisions

In the 119<sup>th</sup> Congress, the trade title of H.R. 7567, the 2026 farm bill that Congress has begun work on, addresses some of the issues mentioned above. Several provisions in H.R. 7567 incorporate aspects of stand-alone bills on export promotion and agricultural trade policy (e.g., H.R. 1086, H.R. 2322/S. 1119, and H.R. 5620).

H.R. 7567 would nearly double mandatory CCC funding for ATPF programs beginning in FY2027 for a total of \$500 million and further increase to \$533 million annually for FY2028 through FY2031. Another provision would create an FMD subprogram that would address infrastructure deficiencies in foreign markets that could damage U.S. agricultural exports. The bill would repeal the export program established by P.L. 119-21 and repeal the provision prohibiting MAP from assisting the U.S. mink industry (7 U.S.C. §5623 note).

H.R. 7567 would require USDA and USTR to negotiate with foreign governments to ensure the right to use common names for U.S. agricultural and food products in foreign markets that might otherwise be prohibited due to geographical indication protections. Another provision would establish an interagency agricultural trade enforcement task force to identify agricultural trade barriers that are “vulnerable to dispute settlement” under trade agreements and to enforce trade agreement violations, with a particular focus on India’s agricultural subsidies. The bill also would create an interagency working group to monitor and assess trade-related information on seasonal and perishable fruits and vegetables and coordinate on trade actions and investigations.

The trade title in H.R. 7567 also proposes reporting requirements. For example, the Government Accountability Office would be required to submit a report to Congress on policy options for USDA to support the competitiveness of U.S. seafood producers in global and domestic markets. Other provisions would require USDA along with USTR to submit a report to Congress on how potential changes to or termination of the United States-Mexico-Canada Agreement may affect U.S. agriculture and a report on the effect on U.S. beef and cattle markets due to changes to U.S. tariff-rate quotas on Argentine beef imports.

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# Next Farm Bill Primer Series

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## Introduction

This report constitutes a guide to a series of two-page “primers” examining the various programs and policies that comprise periodic omnibus legislation on farm and food policy, commonly known as “the farm bill.” The President signed the 2018 farm bill, the Agriculture Improvement Act of 2018 (P.L. 115-334), into law on December 20, 2018. The 2018 farm bill generally authorizes programs for five years. Congress enacted a one-year extension in November 2023 for 2024 (P.L. 118-22, Division B, §102) and a second one-year extension in December 2024 to cover FY2025 and the 2025 crop year (P.L. 118-158, Division D). Many farm bill programs will expire in 2025 unless Congress extends their authorization through a new farm bill or other legislation.

The 2018 farm bill authorized a broad array of programs and policies across 12 titles that define much of the federal government’s role in the agricultural sector. It also established the parameters for key domestic and foreign nutrition assistance programs. The 2018 farm bill authorizes a wide range of agriculture and food programs and policies that address commodity support; conservation; trade; foreign and domestic nutrition assistance; farm credit and rural development; research, extension, and education; forestry; energy; horticulture; crop insurance; and livestock-related matters, among others

There are 23 primers summarized in this report and organized under descriptive headings rather than by farm bill titles to facilitate accessibility for those who are not familiar with the 2018 farm bill. The concept behind these primers is to provide relevant information on key programs and policy initiatives authorized by the 2018 farm bill in a concise format that serves as a quick reference resource for Members of Congress and congressional staff. To this end, the primers describe many of the leading programs and policies within the 2018 farm bill. They also identify some of the higher-profile policy issues that may arise as Congress engages in the process of writing a new farm bill and highlight some policy options that Congress could consider as it undertakes this task. The titles of the primers are hyperlinked for easy access.

The primers listed herein also identify CRS subject matter analysts and provide references to related CRS reports for those who want to explore a specific topic area within the 2018 farm bill in greater depth or who seek additional analysis on an individual program or policy. For an overview of the entire 2018 farm bill, see CRS Report R45525, *The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison*. For a history of farm bill legislation, see CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2024*. For a discussion of the consequences of farm bill expiration, see CRS Report R47659, *Expiration of the 2018 Farm Bill and Extension for 2025*. For analysis of the farm bill markup in 2024, see CRS Report R48167, *The 2024 Farm Bill: H.R. 8467 Compared with Current Law*.

This report summarizes the farm bill primers listed below. The headings of the summaries contain hyperlinks to the full CRS In Focus products.

- *Farm Bill Primer: What Is the Farm Bill?*
- *Farm Bill Primer: Budget Dynamics*
- *Farm Bill Primer: Programs Without Baseline Beyond FY2024*
- *Farm Bill Primer: Animal Disease Management and Prevention*
- *Farm Bill Primer: Farm Safety Net Programs*
- *Farm Bill Primer: PLC and ARC Farm Support Programs*
- *Farm Bill Primer: MAL and LDP Farm Support Programs*
- *Farm Bill Primer: Support for Cotton*
- *Farm Bill Primer: Support for the Dairy Industry*

- *Farm Bill Primer: Federal Crop Insurance Program*
- *Farm Bill Primer: Disaster Assistance*
- *Farm Bill Primer: Conservation Title*
- *Farm Bill Primer: Energy Title*
- *Farm Bill Primer: Forestry Title*
- *Farm Bill Primer: Horticulture Title and Related Provisions*
- *Farm Bill Primer: Selected Hemp Industry Issues*
- *Farm Bill Primer: Beginning and Underserved Producers*
- *Farm Bill Primer: Support for Native Agricultural Producers*
- *Farm Bill Primer: SNAP and Nutrition Title Programs*
- *Farm Bill Primer: Agricultural Research and Extension*
- *Farm Bill Primer: USDA Support for Aquaculture Operations*
- *Farm Bill Primer: Rural Development Title*
- *Farm Bill Primer: Rural Broadband Provisions*
- *Farm Bill Primer: Trade and Export Promotion Programs*

## Overview and Budget

### **CRS In Focus IF12047, *Farm Bill Primer: Background and Status*, by Jim Monke and Megan Stubbs**

This CRS In Focus provides an overview of the multiyear, omnibus legislation known as the farm bill. In particular, it describes the breadth of agriculture and nutrition policy that the farm bill authorizes while providing a brief history of the evolution of the farm bill to the present day. It further reviews estimated costs of the 2018 farm bill by title at the time of enactment and an updated estimate of the budget baseline for mandatory programs for a next farm bill. The House markup of a farm bill in 2024 is discussed in the context of current issues.

### **CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, by Jim Monke**

Congress may consider a new farm bill in 2025 because provisions authorized in the 2018 farm bill (P.L. 115-334) begin expiring at the end of FY2025. From a budgetary perspective, many farm bill programs are assumed to continue. This report discusses the two types of funding—mandatory spending and discretionary authorizations—and the implications of each for farm bill budgeting and program continuity. Farm bill programs have nearly \$1.4 trillion of mandatory funding available for the next 10 years. The In Focus also addresses supplemental funding in recent years, which may influence policy expectations for a new farm bill.

### **CRS In Focus IF12115, *Farm Bill Primer: Programs Without a Budget Baseline*, by Jim Monke**

In preparation for a next farm bill, Congress may consider a subset of 21 programs in the 2018 farm bill that do not have a budget baseline for funding beyond FY2024. This In Focus identifies these 21 programs, which received a total of \$906 million of mandatory funding during the five years (FY2019-FY2023) of the 2018 farm bill and \$177 million in FY2024 for the first one-year extension. The second one-year extension for FY2025 did not provide additional funding for these programs. Programs that receive mandatory funding do not require annual discretionary appropriations. Reauthorizing farm bill programs without baseline would have a positive score (cost) and therefore would likely need to be offset by reductions elsewhere.

## **Animal Health**

### **CRS In Focus IF12934, *Farm Bill Primer: Animal Disease Management and Prevention*, by Lia Biondo**

Animal agriculture accounts for about half of the total value of U.S. agricultural products. The current highly pathogenic avian influenza outbreak illustrates how animal diseases can be costly to control, disrupt domestic supply and international trade of animal products, and affect human health. USDA's Animal and Plant Health Inspection Service (APHIS) is responsible for protecting and improving animal health in the United States. Congress provides APHIS approximately \$400 million annually to administer several programs to prevent and respond to animal disease. This CRS In Focus describes those APHIS programs and identifies selected issues of potential interest to Congress.

## **Commodity Programs and Farm Support**

### **CRS In Focus IF12218, *Farm Bill Primer: Farm Safety Net Programs*, by Stephanie Rosch**

The so-called federal "farm safety net" is a collection of programs administered by the U.S. Department of Agriculture (USDA) that provide risk protection and income support to farmers in the United States who experience natural disasters, adverse growing conditions, and/or low market prices. Farm safety net programs fall into three categories: the federal crop insurance program (FCIP), standing agricultural disaster programs, and agricultural commodity support programs. The FCIP and standing agricultural disaster programs are permanently authorized under various laws. The commodity support programs are authorized through the 2025 crop year.

### **CRS In Focus IF12114, *Farm Bill Primer: PLC and ARC Farm Support Programs*, by Stephanie Rosch**

The Price Loss Coverage (PLC) and the Agriculture Risk Coverage (ARC) programs provide income support to producers of certain eligible commodities. The amount of support varies by commodity and from year-to-year based on program enrollments and market conditions. These programs are authorized through the 2025 crop year. The 2018 farm bill reauthorized these programs with relatively minor changes that expanded support available to producers. This CRS In Focus addresses significant features of these programs and identifies selected issues that Congress could consider as it debates a next farm bill.

### **CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*, by Stephanie Rosch**

The Marketing Assistance Loan (MAL) program has been a significant feature of U.S. farm policy since the 1930s. The MAL program provides loans to farmers that are collateralized by eligible stored commodities and provides price support to borrowers when market prices drop below levels specified in statute. Congress has authorized the Loan Deficiency Payment (LDP) program since the 1980s. The LDP program provides payments to farmers eligible to receive price support under the MAL program. Farmers must meet eligibility requirements for these programs and cannot receive both MAL and LDP benefits for the same commodity. These programs are authorized through the 2025 crop year.

**CRS In Focus IF12195, *Farm Bill Primer: Support for Cotton*, by Stephanie Rosch**

The United States is the world's third-largest cotton producer and the leading cotton exporter, accounting for nearly one-third of global trade in raw cotton. Between 2000 and 2020, U.S. cotton production decreased by more than 15%, and U.S. textile mill usage decreased by more than 80%. Title I of the 2018 farm bill reauthorized commodity support for domestic producers of cotton, including support that had been previously eliminated in the Agricultural Act of 2014 (2014 farm bill; P.L. 113-79). Titles I and XII of the 2018 farm bill reauthorized support for domestic users of cotton for various periods. Certain programs are authorized through the 2025 crop year. In addition, the Secretary of Agriculture has taken measures, outside of the farm bill programs, to support cotton producers.

**CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*, by Christine Whitt**

The 2018 farm bill provides support to the dairy industry through a variety of programs. The Dairy Margin Coverage (DMC), enacted in the 2018 farm bill, is the primary program that provides income support to milk producers. The DMC allows milk producers to buy a guaranteed margin—calculated as the all milk price minus feed costs—for their milk production. Each year, participating dairy producers choose a margin coverage level and the share of their milk production history to cover. They receive DMC payments for months in which the margin is triggered based on USDA's calculation of the milk-feed margin. This program is authorized through December 31, 2025.

**CRS In Focus IF12201, *Farm Bill Primer: Federal Crop Insurance Program*, by Stephanie Rosch**

The federal crop insurance program (FCIP) helps make insurance coverage available to farmers from private sector insurers to help mitigate potential financial consequences of adverse growing and market conditions. USDA regulates the policies offered and subsidizes the premiums that farmers pay in order to encourage farmer participation in the program. Premium subsidies covered about 60% of the total premium on average for all policies sold in 2024. Since its inception in 1938, the FCIP has grown from an ancillary program with low participation to a central pillar of federal farm support, with more than 543 million acres and \$192 billion in crop and livestock value insured in 2024. The FCIP is permanently authorized, but Congress has modified it in various ways in periodic farm bills.

**CRS In Focus IF12101, *Farm Bill Primer: Disaster Assistance*, by Christine Whitt**

A number of federal programs help agricultural producers recover from the effects of natural disasters, including federal crop insurance, the Noninsured Crop Disaster Assistance Program, livestock and fruit tree disaster programs, and emergency disaster loans. All programs are permanently authorized, and most receive "such sums as necessary" through mandatory spending authority. As such, these programs did not require reauthorization in the 2018 farm bill.

## Conservation

### **CRS In Focus IF12024, *Farm Bill Primer: Conservation Title*, by Megan Stubbs**

The conservation title of a farm bill generally contains a number of reauthorizations, amendments, and new programs that encourage farmers and ranchers to implement resource-conserving practices on private land. Starting in 1985, farm bills have addressed a broader range of topics as “conservation.” Conservation programs administered by USDA can be grouped into the following categories based on similarities: working land programs, land retirement programs, easement programs, partnership programs, conservation compliance, and other overarching provisions.

## Energy

### **CRS In Focus IF10639, *Farm Bill Primer: Energy Title*, by Kelsi Bracmort**

The 2018 farm bill contains 12 titles that address agricultural and food programs and Title IX, the energy title. The 2018 farm bill was the fourth farm bill to contain an energy title. The energy title is primarily focused on support for renewable energy—particularly agriculture-related energy, energy efficiency, and bioproducts (e.g., cleaning supplies). This In Focus summarizes the 2018 farm bill energy title, including mandatory versus discretionary funding amounts, as a basis for informing discussions on a next farm bill while identifying issues that Congress could consider as part of that process.

## Forestry

### **CRS In Focus IF12054, *Farm Bill Primer: Forestry Title*, by Anne A. Riddle**

Forest management generally, as well as forest research and forestry assistance, is often considered by the agriculture committees in Congress. Although most forestry programs are permanently authorized, forestry is often addressed in the periodic farm bills to reauthorize many agriculture programs. The 2018 farm bill included a separate forestry title, and this In Focus summarizes some of the forestry provisions addressed in the 2018 farm bill and related issues that Congress may debate as it considers a next farm bill.

## Horticulture, Specialty Crops, and Organic Farming

### **CRS In Focus IF12017, *Farm Bill Primer: Horticulture Title and Related Provisions*, by Renée Johnson**

The 2018 farm bill reauthorized and expanded funding for many of the existing USDA programs supporting fruits, vegetables, and other specialty crops while providing support for many locally sourced products (not limited to crops) and hemp cultivation. Support for these sectors is not limited to the horticulture title; it is also contained within other farm bill titles, covering a range of programs administered by USDA. This In Focus provides an overview of selected 2018 farm bill provisions and issues for a next farm bill related to specialty crops, organically produced and locally sourced products, and hemp.

### **CRS In Focus IF12278, *Farm Bill Primer: Hemp Industry Support and Regulation*, by Renée Johnson**

The 2018 farm bill legalized hemp by removing *hemp* from the definition of marijuana in the Controlled Substances Act. It also directed USDA to create a framework to regulate hemp cultivation under federal law and facilitate commercial cultivation, processing, marketing, and sale of hemp and hemp-derived products. Other 2018 farm bill provisions made hemp producers eligible for federal crop insurance and agricultural research programs. A number of hemp stakeholders are advocating for additional changes via a next farm bill, such as relaxing some USDA regulatory requirements and reducing the Drug Enforcement Administration’s role in regulating hemp.

### **New, Beginning, Underserved, and Veteran Farmers and Ranchers**

#### **CRS In Focus IF12096, *Farm Bill Primer: Beginning and Underserved Producers*, by Jim Monke**

*Beginning farmers and ranchers*—generally defined as having operated a farm or ranch for no more than 10 years—comprise a significant part of the U.S. agricultural sector. They contribute to rural and non-rural economies and are considered to be critical given ongoing concerns about the aging U.S. farm population, the “disappearing middle” (i.e., mid-sized farms both in terms of farm numbers and value of sales), and general trends toward increasing consolidation and fewer, larger farms. The 2018 farm bill reauthorized and expanded programs administered by USDA that support new farmers and ranchers. These programs targeted new farmers within specific farm demographic groups based on age, race, and gender, as well as socially disadvantaged (underserved) farmers and farmers who are military veterans.

#### **CRS In Focus IF12160, *Farm Bill Primer: Support for Tribal Food and Agriculture*, by Jim Monke**

In 2017, Native agricultural producers accounted for 2% of all U.S. producers. The 2018 farm bill (P.L. 115-334) expanded federal farm program support for Native agricultural producers and tribal communities. Congress further enhanced community and economic development for tribes in the Indian Community Economic Enhancement Act of 2020 (P.L. 116-261) and provided additional support for historically underserved agricultural producers, including Native producers, in the American Rescue Plan Act of 2021 (P.L. 117-2).

### **Nutrition Assistance**

#### **CRS In Focus IF12255, *Farm Bill Primer: SNAP and Nutrition Title Programs*, by Randy Alison Aussenberg and Kara Clifford Billings**

The nutrition title of a farm bill typically reauthorizes a number of nutrition or domestic food assistance programs, including the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program). These programs were reauthorized by the 2018 farm bill and extended by P.L. 118-22. They are authorized through September 30, 2025. In a subsequent farm bill’s nutrition title, policymakers might revisit 2018 debates and decisions and consider new challenges and questions, including temporary changes made during the COVID-19 pandemic.

## Research, Extension, and Related Matters

### **CRS In Focus IF12023, *Farm Bill Primer: Agricultural Research and Extension*, by Eleni G. Bickell**

The research title addresses research, extension, and education at land-grant universities and other nonfederal institutions, as well as departmental policies, programs, and research within USDA. Most of the research title programs require annual discretionary appropriations; a few programs receive mandatory spending. This In Focus provides background information and discusses selected 2018 farm bill provisions and issues for a next farm bill related to agricultural research, extension, and education, including funding.

### **CRS In Focus IF12275, *Farm Bill Primer: USDA Support for Aquaculture Operations*, by Eleni G. Bickell**

Aquaculture facilities that grow aquatic animal and plant species in controlled or selected environments are generally eligible for the same support from USDA that is available to all U.S. farmers, ranchers, and producers. The 2018 farm bill reauthorized and expanded provisions specifically related to USDA's aquaculture research and assistance programs. Aquaculture producers are also eligible for other USDA competitive grants available to all U.S. agricultural producers. Aquaculture stakeholders have identified a number of policy recommendations in support of the industry, some of which Congress could address in a next farm bill.

## Rural Development

### **CRS In Focus IF12038, *Farm Bill Primer: Rural Development Title*, by Lisa S. Benson**

Omnibus farm bills are the major modern legislative vehicle for addressing many rural development issues. Since 1973, omnibus farm bills have included a rural development title, which has included USDA Rural Development programs focused on rural utility systems (i.e., water, waste disposal, electricity, and broadband), rural business, and rural housing. The USDA Rural Business-Cooperative Service, USDA Rural Utilities Service, and USDA Rural Housing Service administer these programs. Most USDA Rural Development programs rely on discretionary funding, which Congress authorizes in farm bills and funds through the annual appropriations process.

### **CRS In Focus IF12041, *Farm Bill Primer: Rural Broadband Provisions*, by Lisa S. Benson**

Congress has included provisions addressing rural broadband (i.e., high-speed internet access) in the rural development title of omnibus farm bills since 2002. The 2018 farm bill amended and reauthorized many of the rural broadband programs administered by USDA. This In Focus provides background information on USDA rural broadband programs and an overview of selected rural broadband provisions in the 2018 farm bill and identifies some issues that Congress could consider as it debates a next farm bill.

## Trade and Export Promotion

### **CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*, by Benjamin Tsui**

Agricultural exports are significant to farmers and the U.S. economy. With the productivity of U.S. agriculture growing faster than domestic demand, farmers and agriculturally oriented firms rely on export markets to sustain prices and revenue. The trade title of the 2018 farm bill (P.L. 115-334) authorizes programs to expand foreign markets for U.S. farmers and food manufacturers through export market development programs and export credit guarantee programs. These programs are authorized through FY2025.

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# Retaliatory Tariffs on U.S. Agriculture and USDA's Responses: Frequently Asked Questions

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In 2025, the Trump Administration imposed several rounds of tariffs against trading partners under the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962, commonly referred to as “Section 232.” The first IEEPA tariffs targeting Canada, the People’s Republic of China, and Mexico were in response to what President Trump identified as the “failures” of the three countries to address issues such as drug and human trafficking and transnational crime. Subsequently, under IEEPA, the Trump Administration imposed a 10% tariff on most trading partners, imposed additional tariffs on China, and proposed country-specific “reciprocal tariffs” addressing bilateral trade deficits. The Trump Administration also expanded steel and aluminum tariffs and imposed new tariffs on automobile and automobile parts under Section 232.

In response to these U.S. tariffs, some countries have imposed or announced potential retaliatory tariffs on U.S. goods, including U.S. agricultural products. In March 2025, Canada imposed retaliatory tariffs that included U.S. agricultural goods. In March 2025, China imposed retaliatory tariffs that included U.S. agricultural goods and, in April 2025, further increased tariffs on all U.S. goods. In May 2025, China temporarily decreased its retaliatory tariffs on U.S. goods following an agreement with the United States. In April 2025, the European Union released a list of U.S. products targeted for retaliatory tariffs effective June 2025.

During the first Trump Administration, beginning in 2018, certain trading partners imposed retaliatory tariffs on U.S. agricultural products in response to tariffs imposed by the United States. In response to the retaliatory tariffs, the U.S. Department of Agriculture (USDA) used administrative authorities to provide approximately \$25.7 billion in direct income support payments to farmers, for purchases for agricultural commodities, and in additional support for trade promotion activities.

This report discusses frequently asked questions about retaliatory tariffs on U.S. agriculture and USDA’s response to the retaliatory tariffs since 2018. It addresses the agricultural context of recent tariff actions by the United States and subsequent retaliatory tariffs by trading partners, what retaliatory tariffs were imposed on U.S. agriculture in 2018 and 2019 and their effects on trade flows for select agricultural commodities, rationales why foreign trading partners target U.S. agricultural products for retaliation, and the agricultural provisions of the U.S.-China Phase One Agreement. The report also discusses the 2018 and 2019 USDA responses to retaliatory tariffs and the views of these responses.

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## Introduction

In March 2025, Canada and the People's Republic of China (hereinafter China) imposed retaliatory tariffs on a range of U.S. exports, including agricultural products, in response to U.S. tariffs imposed in February and March 2025 under the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. §§1701 et seq.).<sup>1</sup> The U.S. tariffs were a response to what President Trump identified as “failures” on the part of Canada, China, and Mexico to address issues such as drug and human trafficking and transnational crimes.<sup>2</sup> Many Members of Congress have an interest in the impact that foreign retaliatory tariffs have on the U.S. agricultural and food sectors, which rely on export markets for additional revenue and economic activity. In addition to the February and March 2025 IEEPA tariffs, the United States has taken other tariff actions that faced retaliatory or threats of retaliatory tariffs on U.S. agricultural exports.

In 2018 and 2019, during the first Trump Administration, China, the European Union (EU), Canada, Mexico, Turkey, and India responded to U.S. tariff actions with retaliatory tariffs on U.S. imports that included agricultural products. In response, the U.S. Department of Agriculture (USDA) used administrative authorities to distribute about \$25.7 billion through three programs that, respectively, provided direct income support payments to farmers, purchased agricultural commodities, and supported trade promotion activities. In April 2025, Secretary of Agriculture Brooke Rollins indicated that it would take months to determine whether payments for producers are needed in response to retaliatory tariffs but that USDA is “setting up the infrastructure” to address trade damages.<sup>3</sup>

This report addresses some frequently asked questions (FAQs) grouped into four categories: background, trade actions in 2025, trade actions in 2018-2023, and USDA's response to retaliatory tariffs.

## Background

### What Are Tariffs?

Tariffs are taxes or duties levied on imported goods. Foreign retaliatory tariffs on U.S. exports make U.S. goods less competitive in foreign markets compared to goods not subject to tariffs, such as substitutable goods produced in the foreign country and goods from other suppliers. Tariffs on agricultural products are commonly applied either at an ad valorem basis (i.e., a

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<sup>1</sup> For purposes of this report, *agricultural product* refers to the U.S. Department of Agriculture's (USDA's) definition, which follows the World Trade Organization's (WTO's) definition. The WTO's definition includes most food products but excludes those such as seafood and forestry products. For more information about U.S. tariff authorities and policies in general and the International Emergency Economic Powers Act (IEEPA), see CRS Report R48435, *Congressional and Presidential Authority to Impose Import Tariffs*; CRS In Focus IF11030, *U.S. Tariff Policy: Overview*; CRS Report R45618, *The International Emergency Economic Powers Act: Origins, Evolution, and Use*; and CRS Insight IN11129, *The International Emergency Economic Powers Act (IEEPA), the National Emergencies Act (NEA), and Tariffs: Historical Background and Key Issues*.

<sup>2</sup> Executive Order 14193 of February 1, 2025, “Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border,” 90 *Federal Register* 9113, February 7, 2025; Executive Order 14194 of February 1, 2025, “Imposing Duties to Address the Situation at Our Southern Border,” 90 *Federal Register* 9117, February 7, 2025; and Executive Order 14195 of February 1, 2025, “Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China,” 90 *Federal Register* 9121, February 7, 2025.

<sup>3</sup> Secretary Rollins is quoted in Marcia Brown, “‘We Just Haven't Seen Anything Like This’: Farmers Brace for Trump's Trade War,” *Politico*, April 4, 2025; see also Andy Castillo, “USDA Says Farm Impact of New Tariffs Unknown Until Fall,” *Farm Progress*, April 4, 2025.

percentage of the value of the imported goods) or at a specific basis (i.e., assessed at a fixed amount of money per unit of an imported good).

## **What Agricultural Products Does the United States Export and Import?**

The United States is one of the top exporters of agricultural products in the world, with exports totaling \$176.0 billion in 2024. Exports account for about 20% of total U.S. agricultural and food production by value.<sup>4</sup> The USDA Foreign Agricultural Service groups agricultural products into three broad categories:

- **Bulk:** raw and unprocessed commodities sold in large quantities that are mostly used as inputs (e.g., corn, wheat, cotton, soybeans)
- **Intermediate:** processed commodities used as inputs in the manufacturing of other products (e.g., soybean meal, ethanol, vegetable oils, essential oils, hides and skins)
- **Consumer oriented:** a larger collection of agricultural and food products for consumers and retailers (e.g., fruits, vegetables, meat, poultry, dairy, alcoholic beverages)

Bulk commodities are the leading U.S. farm exports. In 2024, over 60% of U.S. agricultural exports by value were to Mexico, Canada, China, the EU, and Japan.

The share of U.S. production that is exported varies by year and type of agricultural product. On average, for the past decade on a quantity basis, for bulk commodities, the United States exported 15% of corn, 46% of rice, 47% of soybeans and wheat, 55% of sorghum, and 84% of cotton produced. For meat products, about 11% of beef and veal, 16% of chicken meat, and 23% of swine meat produced were exported.<sup>5</sup> For tree nuts, the United States exported on average nearly 70% of almonds and walnuts and 64% of pistachios produced. For fresh fruits, the United States exported on average 5% of tangerines/mandarins, 17% of apples, 19% of cherries, and 33% of table grapes produced.

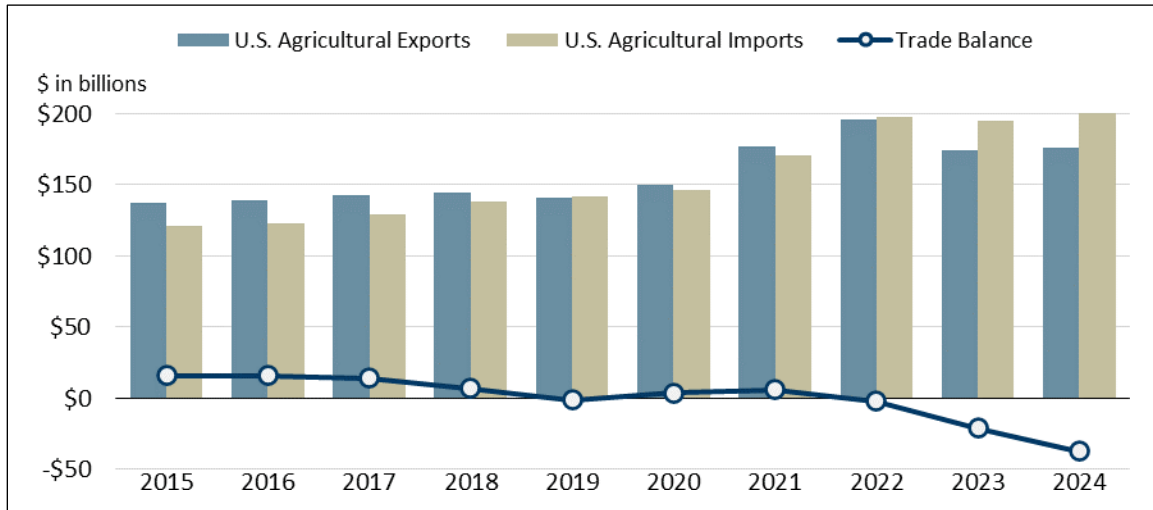
In 2024, the United States imported \$213.0 billion in agricultural products, which provided U.S. consumers more choice, variety, and product availability year-round as well as increased competition for certain U.S. producers. Leading imports included fruits, vegetables, vegetable oils, alcoholic beverages (e.g., distilled spirits, wine, beer), beef, and coffee. The top sources of U.S. agricultural imports were Mexico, Canada, and the EU, which accounted for 60% of total agricultural imports. Comparing the value of U.S. agricultural trade exports with imports reveals that the U.S. agricultural trade surplus peaked at \$40.1 billion in 2011 and has since fallen, becoming trade deficits in 2019, 2022, 2023, and 2024. In 2024, the agricultural trade deficit was \$37.0 billion. See **Figure 1** for U.S. agricultural trade trends in the past decade. See **Table 1** and **Table 2** for trade statistics for the top five U.S. agricultural export markets and top five U.S. agricultural import suppliers for the past decade.

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<sup>4</sup> USDA, Economic Research Service (ERS), "U.S. Agricultural Trade – U.S. Agricultural Trade at a Glance," January 7, 2025, <https://www.ers.usda.gov/topics/international-markets-us-trade/us-agricultural-trade/us-agricultural-trade-at-a-glance>.

<sup>5</sup> Calculated by CRS from USDA production, supply, and distribution quantity data at USDA, Foreign Agricultural Service (FAS), "PSD Online," <https://apps.fas.usda.gov/psdonline/app/index.html#/app/home>.

**Figure I. Value of U.S. Agricultural Exports and Imports, 2015-2024**



**Source:** Figure created by CRS using U.S. Census Bureau international trade data via U.S. Department of Agriculture (USDA), Foreign Agricultural Service (FAS), “Global Agricultural Trade System Online: GATS Home,” <https://apps.fas.usda.gov/gats/default.aspx>. See Bulk, Intermediate, and Consumer-Oriented Harmonized System-10 (BICO-10) groupings.

**Notes:** Data are not adjusted for inflation. Trade balance is calculated as imports subtracted from exports.

**Table I. U.S. Agricultural Exports to Top Five Markets, 2015 to 2024**

In Billions of Dollars (nominal)

Trading Partner	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mexico	17.9	18.0	18.8	19.3	19.4	18.3	25.5	28.5	28.4	30.3
Canada	22.2	21.4	21.7	22.0	21.9	22.3	25.3	28.7	28.4	28.4
China	20.4	21.7	19.6	9.2	13.9	26.4	32.8	38.1	28.8	24.7
EU-27	11.0	10.2	10.5	12.5	10.8	10.4	11.0	12.3	12.6	12.8
Japan	11.6	11.4	12.1	13.1	12.0	11.7	14.2	14.7	11.9	12.0
Rest of world	54.2	56.2	60.1	68.5	63.1	60.5	67.9	73.4	64.1	67.8
<b>World total</b>	<b>137.2</b>	<b>138.9</b>	<b>142.9</b>	<b>144.7</b>	<b>141.1</b>	<b>149.7</b>	<b>176.6</b>	<b>195.7</b>	<b>174.2</b>	<b>176.0</b>

**Source:** CRS from USDA, Global Agricultural Trade System (GATS) data (BICO-10).

**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding. EU-27 = the European Union customs union and its 27 member countries.

**Table 2. U.S. Agricultural Imports from Top Five Suppliers, 2015 to 2024**

In Billions of Dollars (nominal)

Trading Partner	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mexico	22.2	24.1	25.9	27.5	30.2	32.9	38.0	43.3	45.4	48.6
Canada	22.4	22.2	22.9	23.7	24.4	25.3	31.2	37.5	40.1	41.0
EU-27	22.8	23.6	25.1	27.1	28.4	27.4	32.0	35.8	32.9	36.4
Brazil	4.0	3.8	3.9	3.9	4.1	4.0	4.7	6.2	6.2	7.9
China	4.3	4.3	4.5	4.9	3.7	3.8	4.1	4.7	4.7	5.8
Rest of world	45.4	44.6	46.9	50.8	50.8	52.7	60.6	70.6	65.6	73.2
<b>World total</b>	<b>121.1</b>	<b>122.6</b>	<b>129.2</b>	<b>138.0</b>	<b>141.6</b>	<b>146.3</b>	<b>170.6</b>	<b>198.2</b>	<b>194.8</b>	<b>213.0</b>

**Source:** CRS from USDA, GATS data (BICO-10).

**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding. EU-27 = the European Union customs union and its 27 member countries.

All states export agricultural products, but a fraction of states account for the majority of farm export sales. For calendar year 2023, USDA estimated that over half of total U.S. agricultural exports based on value came from the eight leading agricultural exporting states, which were California, Iowa, Illinois, Minnesota, Nebraska, Texas, Indiana, and Missouri.<sup>6</sup>

## Why Would Trading Partners Target U.S. Agricultural Products with Retaliatory Tariffs?

Foreign governments may target U.S. agricultural products for any of several reasons. The United States is one of the largest exporters of agricultural products, and these products represent a large target for retaliation for many trading partners. The value of agricultural products exported to U.S. trading partners that imposed retaliatory tariffs on U.S. agricultural products during the first Trump Administration was more than \$76 billion in 2017.

Another reason U.S. trading partners may target U.S. agriculture is because agricultural commodities may be sourced globally from multiple suppliers. Trading partners could source agricultural imports from suppliers other than the United States. Australia, Brazil, Canada, and the EU are examples of major agricultural exporters that compete with the United States for foreign markets.

Retaliating trade partners may consider U.S. domestic politics when determining tariff targets, choosing products from specific regions or states to maximize political pressure. For example, some observers assert that bourbon whiskey was targeted in the 2018 retaliatory tariffs because it was produced in the then-Senate Majority Leader's home state of Kentucky.<sup>7</sup>

<sup>6</sup> USDA, ERS, "State Agricultural Trade Data," January 9, 2025, <https://www.ers.usda.gov/data-products/state-agricultural-trade-data>.

<sup>7</sup> Thiemo Fetzer and Carlo Schwarz, "Tariffs and Politics: Evidence from Trump's Trade Wars," *The Economic Journal*, vol. 131, no. 636 (May 2021), pp. 1717-1741; and Rob Gillie, "Canada Announces Billions in Retaliatory Tariffs Against US," Associated Press, June 30, 2018.

## 2025 Trade Actions

### What U.S. Trade Actions Precipitated Retaliatory Tariffs in 2025?

Beginning in 2025, the United States has imposed tariffs under IEEPA and Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862), commonly referred to as “Section 232.”<sup>8</sup> These trade actions provoked foreign retaliatory tariffs that targeted U.S. agriculture as well as other sectors of the U.S. economy. The United States has also proposed additional trade actions under these and other statutory authorities that, if implemented, may lead to further retaliatory actions from U.S. trading partners.

### International Emergency Economic Powers Act (IEEPA) Tariffs

#### *Addressing Drug Trafficking and Illegal Immigration*

On February 1, 2025, President Trump signed three executive orders imposing tariffs of 25% on imports from Canada (with a lower 10% tariff on energy resources) and Mexico, and a 10% tariff on imports from China, all beginning February 4, 2025.<sup>9</sup> These executive orders cited IEEPA as the underlying authority to impose tariffs. The executive orders cited the “failure” of the three governments in addressing issues such as drug trafficking and other criminal activities. On February 3, President Trump issued executive orders delaying the duties until March 4, citing steps taken by Canada and Mexico to address U.S. concerns on illegal migration and illicit drugs.<sup>10</sup> On March 3, President Trump increased the tariff on imports from China from 10% to 20% effective March 4, stating that China had not adequately addressed the illicit drug crisis.<sup>11</sup>

On March 6, President Trump issued executive orders further amending the original February 1 executive orders for Canada and Mexico by not imposing the additional 25% duties on goods that claim and qualify for preferential treatment under the U.S.-Mexico-Canada Agreement (USMCA) and lowering tariffs for potash imports to 10%.<sup>12</sup> Potash, the main source of potassium in

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<sup>8</sup> For more background, see CRS Report R45618, *The International Emergency Economic Powers Act: Origins, Evolution, and Use*; CRS Report R48549, *Presidential 2025 Tariff Actions: Timeline and Status*; CRS Insight IN11129, *The International Emergency Economic Powers Act (IEEPA), the National Emergencies Act (NEA), and Tariffs: Historical Background and Key Issues*; CRS Infographic IG10012, *The International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act: Key Facts*; and CRS Insight IN12519, *Expanded Section 232 Tariffs on Steel and Aluminum*. For more information about U.S.-China tariff actions, see CRS In Focus IF12990, *U.S.-China Tariff Actions Since 2018: An Overview*.

<sup>9</sup> Executive Order 14193 of February 1, 2025, “Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border,” 90 *Federal Register* 9113, February 7, 2025; Executive Order 14194 of February 1, 2025, “Imposing Duties to Address the Situation at Our Southern Border,” 90 *Federal Register* 9117, February 7, 2025; and Executive Order 14195 of February 1, 2025, “Imposing Duties to Address the Synthetic Opioid Supply Chain in the People’s Republic of China,” 90 *Federal Register* 9121, February 7, 2025. For more information about U.S.-Canada relations and the IEEPA tariffs, see CRS Insight IN12533, *U.S.-Canada Relations amid Tariffs Under the International Emergency Economic Powers Act*.

<sup>10</sup> Executive Order 14197 of February 3, 2025, “Progress on the Situation at Our Northern Border,” 90 *Federal Register* 9183, February 10, 2025; and Executive Order 14198 of February 3, 2025, “Progress on the Situation at Our Southern Border,” 90 *Federal Register* 9185, February 10, 2025.

<sup>11</sup> Executive Order 14228 of March 3, 2025, “Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People’s Republic of China,” 90 *Federal Register* 11463, March 7, 2025.

<sup>12</sup> Executive Order 14231 of March 6, 2025, “Amendment to Duties to Address the Flow of Illicit Drugs Across Our Northern Border,” 90 *Federal Register* 11785, March 11, 2025; and Executive Order 14232 of March 6, 2025, “Amendment to Duties to Address the Flow of Illicit Drugs Across Our Southern Border,” 90 *Federal Register* 11787, March 11, 2025.

fertilizer, is a key input for U.S. farmers. The United States imports about 97% of its potash fertilizer used each year, with Canada accounting for about 85% of imports by quantity.<sup>13</sup> U.S. tariff rates on fertilizer are generally duty-free, including under the United States' USMCA tariff schedule.<sup>14</sup>

China (in February) and Canada (in March) initiated World Trade Organization (WTO) dispute consultations with the United States in response to the IEEPA tariff actions.<sup>15</sup> In the March 24-25, 2025, WTO Committee on Agriculture meeting, Canada questioned whether the United States had considered the negative effects of the tariffs on factors such as food security, economic growth, agricultural sector supply chains, and inflation for food prices.<sup>16</sup> For more information about the WTO and the Agreement on Agriculture, see the text box below.

### What Is the World Trade Organization and Agreement on Agriculture?

The World Trade Organization (WTO) is an international organization that administers the rules and agreements negotiated among its members to eliminate trade barriers and govern trade. The WTO provides for a "common institutional framework" to address multilateral trade relations among WTO members and to facilitate trade agreement negotiations, resolve trade disputes, administer trade rules, monitor trade policies, and provide technical assistance. The United States was a leading force behind the WTO's establishment in 1995.

As part of the results of the multilateral negotiations that established the WTO, several agreements covering trade in goods were agreed to among negotiating members. The WTO Agreement on Agriculture's main objective is to "reform agricultural trade so that it is closer to competitive market conditions." Under the Agreement on Agriculture, national agricultural policies—including domestic farm support, agricultural export subsidies, and restrictive import controls—were placed under a multilaterally agreed-upon set of disciplines. WTO members agreed to reform their domestic agricultural support policies, increase access to imports, and reduce export subsidies. The agreement also established a Committee on Agriculture. The Committee on Agriculture oversees and monitors the implementation of the agreement and provides a forum for members to consult with each other on agricultural trade issues as well as raise and address questions related to the agreement.

**Source:** WTO, *The WTO Agreements Series: Agriculture*, 3rd ed. (WTO, 2016).

**Note:** For more background on the WTO, see CRS In Focus IF10002, *World Trade Organization*.

### "Reciprocal Tariffs" Addressing Trade Deficits

On April 2, 2025, President Trump signed an executive order imposing additional tariffs of 10% on most imports from most U.S. trading partners effective April 5, 2025, and additional country-specific tariffs on 57 trading partners effective April 9, 2025.<sup>17</sup> The April 2 executive order also

<sup>13</sup> Potassium fertilizer usage data from USDA, FAS, "Global Fertilizer Dashboard," September 10, 2024, <https://www.fas.usda.gov/data/visualization-global-fertilizer-trade-dashboard>. Potassium fertilizer import data from USDA, FAS, Global Agricultural Trade System Online, "Foreign Agricultural Trade of the United States" product grouping.

<sup>14</sup> United States International Trade Commission, "Chapter 31: Fertilizers," in *Harmonized Tariff Schedule (2025)*, March 14, 2025, <https://hts.usitc.gov/>; and Office of the U.S. Trade Representative (USTR), "Tariff Schedule of the United States," agreement between the United States of America, the United Mexican States, and Canada, July 1, 2020.

<sup>15</sup> WTO, "DS633: United States—Additional Tariff Measures on Goods from China," [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds633\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds633_e.htm); and WTO, "DS634: United States—Additional Import Duties on Goods from Canada," [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds634\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds634_e.htm).

<sup>16</sup> WTO, "View Question & Answer," in *Agriculture Information Management System*, accessed March 17, 2025, [https://agims-qna.wto.org/public/Pages/en/ViewQnA\\_Validated.aspx?officialID=111129&caller=https://agims-qna.wto.org/public/Pages/en/SearchResult.aspx](https://agims-qna.wto.org/public/Pages/en/ViewQnA_Validated.aspx?officialID=111129&caller=https://agims-qna.wto.org/public/Pages/en/SearchResult.aspx).

<sup>17</sup> Executive Order 14257 of April 2, 2025, "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits," 90 *Federal Register* 15041, April 7, 2025. A list of the country-specific tariffs (inclusive of the 10% imposed on most other trading partners) can be found at <https://www.whitehouse.gov/wp-content/uploads/2025/04/Annex-I.pdf>.

cited IEEPA as the underlying authority to impose tariffs. The executive order declared a national emergency due to

underlying conditions, including a lack of reciprocity in our bilateral trade relationships, disparate tariff rates and [nontariff] barriers, and U.S. trading partners' economic policies that suppress domestic wages and consumption, as indicated by large and persistent annual U.S. goods trade deficits.<sup>18</sup>

The April 2 executive order's additional tariffs do not apply to Canada or Mexico. If the February 1 executive orders that imposed the drug-trafficking and illegal-immigration-related IEEPA tariffs on both countries are terminated, then both countries' imports would face a 12% tariff as a result of the April 2 executive order. The April 2 executive order excludes some key agricultural inputs such as potash, peat, veterinary vaccines, and certain pesticides.<sup>19</sup> Tariffs on China are cumulative to previous tariffs imposed. On April 8, 2025, President Trump signed an executive order increasing the "reciprocal tariff" on China from the original 34% to 84% effective April 10 in response to China's April 4 announcement of 34% retaliatory tariffs that went into effect April 10.<sup>20</sup> On April 9, President Trump signed another executive order raising the "reciprocal tariffs" on China to 125% effective April 10 in response to the April 9 announcement by China that it was increasing its retaliatory tariffs from 34% to 84% effective April 10.<sup>21</sup> See "China's Retaliatory Tariffs" for further background.

The April 9 executive order also suspended the country-specific tariffs effective April 10 until July 9, 2025, a total of 90 days. The additional 10% tariff for most trading partners is still in effect.

The Trump Administration applied a novel methodology to calculate the tariffs imposed in accordance with the April 2 executive order. Although the April 2 executive order cites nontariff barriers, including technical barriers to trade (TBT) and "sanitary and phytosanitary [SPS] measures that unnecessarily restrict trade without furthering safety objectives," as factors contributing to the persistent U.S. trade deficit, the methodology of calculating the country-specific "reciprocal tariffs" is not based on estimates of tariff and nontariff barriers implemented by countries on U.S.-specific or broader categories of products.<sup>22</sup> Instead, the "reciprocal tariff" calculations are based on the 2024 bilateral trade deficit with a country divided by the 2024 value of that country's imports into the United States, divided by two, making the assumption that the resulting tariff rate would "offset" any tariff and nontariff policies applied by the foreign country.<sup>23</sup> Many economists have questioned both the use of this methodology to calculate

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<sup>18</sup> Executive Order 14257 of April 2, 2025, "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits."

<sup>19</sup> Oliver Ward, "Some Key Ag Inputs Exempt from Sweeping New Duties," April 4, 2025; and Ryan Hanrahan, "Key Ag Inputs Exempt from New Reciprocal Tariffs," *Farm Policy News*, April 7, 2025. A full list of products exempt from the April 2 tariffs can be found at <https://www.whitehouse.gov/wp-content/uploads/2025/04/Annex-II.pdf>.

<sup>20</sup> Executive Order 14259 of April 8, 2025, "Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports from the People's Republic of China," 90 *Federal Register* 15509, April 14, 2025.

<sup>21</sup> Executive Order 14266 of April 9, 2025, "Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment," 90 *Federal Register* 15625, April 15, 2025.

<sup>22</sup> USTR, "Reciprocal Tariff Calculations," accessed May 27, 2025, [https://ustr.gov/sites/default/files/files/Issue\\_Areas/Presidential%20Tariff%20Action/Reciprocal%20Tariff%20Calculations.pdf](https://ustr.gov/sites/default/files/files/Issue_Areas/Presidential%20Tariff%20Action/Reciprocal%20Tariff%20Calculations.pdf). *Technical barriers to trade (TBT) measures* are related to mandatory compliance with regulatory requirements, voluntary standards, and conformity assessment procedures required by regulations or standards. *Sanitary and phytosanitary (SPS) measures* are laws, regulations, standards, and procedures that governments enforce to protect human, animal, or plant life or health.

<sup>23</sup> USTR, "Reciprocal Tariff Calculations," accessed April 4, 2025, <https://ustr.gov/issue-areas/reciprocal-tariff-calculations>.

country-specific tariffs and the Administration's claim that the tariff rates capture barriers to U.S. exports.<sup>24</sup> In the past, USDA's Economic Research Service (ERS) and other researchers have estimated the tariff equivalent of TBT and SPS measures for specific agricultural products or product groups, such as in a 2015 study on nontariff measures between the United States and EU.<sup>25</sup>

On May 12, 2025, the United States and China issued a joint statement that reduced U.S. "reciprocal tariffs" to 10% and China's retaliatory tariffs to the "reciprocal tariffs" to 10% effective May 14 for 90 days.<sup>26</sup>

## **Section 232 Steel, Aluminum, and Automotive Tariffs**

On February 10, 2025, President Trump issued proclamations effective March 12, 2025, that modified tariffs on steel and aluminum, authorized under Section 232 of the Trade Expansion Act of 1962.<sup>27</sup> These tariffs were originally imposed during the first Trump Administration. The changes included eliminating country exemptions from tariffs negotiated during the Biden and first Trump Administrations. Effective April 4, 2025, certain beer products as aluminum derivative products were added to the list of imports subject to a Section 232 tariff of 25%.<sup>28</sup>

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<sup>24</sup> Glenn Kessler, "Trump White House Cited Economists for Its Tariff Formula. They Pan It," *Washington Post*, April 4, 2025; Robert Farley and D'Angelo Gore, "Fact Check: Trump's Misleading Tariff Chart," *Roll Call*, April 4, 2025; Peter Foster and Sam Fleming, "Donald Trump Baffles Economists with Tariff Formula," *Financial Times*, April 3, 2025; Kevin Corinth and Stan Veuger, "President Trump's Tariff Formula Makes No Economic Sense. It's Also Based on an Error," American Enterprise Institute, April 4, 2025; Brent Neiman, "The Trump White House Cited My Research to Justify Tariffs. It Got It All Wrong," *New York Times*, April 7, 2025; Anjali V. Bhatt, "PIIE Experts React to Trump's Tariffs Announced April 2," Peterson Institute for International Economics, April 3, 2025; and Alan Cole, "Trump's Reciprocal Tariff Calculations Are Nonsense, Will Punish Mutually Beneficial Trade," Tax Foundation, April 3, 2025.

<sup>25</sup> Shawn Arita et al., *Estimating the Effects of Selected Sanitary and Phytosanitary Measures and Technical Barriers to Trade on U.S.-EU Agricultural Trade*, USDA, ERS, November 10, 2015. Other examples of studies estimating tariff equivalents on on-tariff measures include Olivier Cadot et al., *Estimating Ad Valorem Equivalents of Non-Tariff Measures: Combining Price-Based and Quantity-Based Approaches*, Organisation for Economic Co-operation and Development (OECD), OECD Trade Policy Papers No. 215, May 16, 2018; Xin Ning and Jason H. Grant, "New Estimates on the Ad-Valorem Equivalents of SPS Measures: Evidence from Specific Trade Concerns," selected paper prepared for presentation at the International Agricultural Trade Research Consortium's 2019 Annual Meeting, Washington, DC, December 2019; and Rui Mao et al., "Economic and Environmental Impacts of Agricultural Non-Tariff Measures: Evidence Based on Ad Valorem Equivalent Estimates," *International Food and Agribusiness Management Review*, vol. 26, no. 3 (2023), pp. 379-396.

<sup>26</sup> White House, "Joint Statement on U.S.-China Economic and Trade Meeting in Geneva," May 12, 2025, <https://www.whitehouse.gov/briefings-statements/2025/05/joint-statement-on-u-s-china-economic-and-trade-meeting-in-geneva/>.

<sup>27</sup> Proclamation 10896 of February 10, 2025, "Adjusting Imports of Steel into the United States," 90 *Federal Register* 9817, February 18, 2025; and Proclamation 10895 of February 10, 2025, "Adjusting Imports of Aluminum into the United States," 90 *Federal Register* 9807, February 18, 2025. For more information on Section 232 steel and aluminum tariffs, see CRS Insight IN12519, *Expanded Section 232 Tariffs on Steel and Aluminum*.

<sup>28</sup> Department of Commerce, Bureau of Industry and Security, "Implementation of Duties on Aluminum Derivatives Beer and Empty Aluminum Cans Pursuant to Proclamation 10895 Adjusting Imports of Aluminum into the United States," 90 *Federal Register* 14786, April 2025; and U.S. Customs and Border Protection (CBP), *Cargo Systems Messaging Service # 64639013—Guidance: Section 232 Additional Aluminum Derivative Products*, April 3, 2025, [https://content.govdelivery.com/bulletins/gd/usdhscbp-3da5025?wgt\\_ref=usdhscbp\\_widget\\_2](https://content.govdelivery.com/bulletins/gd/usdhscbp-3da5025?wgt_ref=usdhscbp_widget_2). CBP indicated that beer classified under the Harmonized Tariff Schedule of the United States not in glass containers would be subject to the 25% tariff under Section 232.

Separately, on March 26, 2025, President Trump announced Section 232 tariffs on U.S. imports of automobiles effective April 3 and certain automobile parts effective May 3.<sup>29</sup>

Some U.S. trading partners, such as Canada and the EU, announced retaliatory tariffs in response to Section 232 steel, aluminum, and automotive tariffs. To date, only the EU retaliatory tariffs have stated plans to target U.S. agricultural exports.<sup>30</sup>

## **What Retaliatory Tariffs Have Been Imposed on U.S. Agriculture in 2025?**

In 2025, Canada, China, and the EU announced and/or imposed retaliatory tariffs that targeted U.S. agriculture.<sup>31</sup>

### **Canada's Retaliatory Tariffs**

On March 4, 2025, Canada implemented retaliatory tariffs of 25% on select U.S. imports in response to the IEEPA tariffs on Canadian imports that went into effect the same day.<sup>32</sup> According to analysis of 2024 Canadian import statistics, these tariffs targeted approximately \$5.9 billion in U.S. agricultural goods.<sup>33</sup> By value, about 90% of the U.S. products facing retaliatory tariffs were consumer-oriented goods, including coffee, tea, orange juice, alcoholic beverages (i.e., beer, wine, distilled spirits), pasta, fruits (e.g., oranges, peaches), vegetables (e.g., tomatoes, preserved cucumbers), pecans, poultry, sausages, condiments (e.g., ketchup, mayonnaise, soy sauce), confections, dairy products (e.g., whey, cheese, milk), and tobacco products.

Canada announced its intention to implement a second round of tariffs on a proposed list of additional U.S. goods to be subject to a 25% tariff.<sup>34</sup> Products proposed for additional retaliation include meat (e.g., beef, pork, poultry), additional dairy products (e.g., butter, cheese), baked goods (e.g., toasted bread, waffles), nonbeverage ethanol, additional fruits (e.g., apples, cherries, strawberries), additional vegetables (e.g., onions, asparagus, lettuce), and tree nuts (e.g., almonds, walnuts).

### **Mexico's Retaliatory Tariffs**

President of Mexico Claudia Sheinbaum reportedly planned to announce tariff and nontariff measures in response to the IEEPA tariffs on March 9 but instead held a “festival” to celebrate the

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<sup>29</sup> Proclamation 10908 of March 26, 2025, “Adjusting Imports of Automobiles and Automobile Parts into the United States,” 90 *Federal Register* 14705, April 3, 2025. For more background, see CRS Insight IN12545, *Section 232 Automotive Tariffs: Issues for Congress*.

<sup>30</sup> In May 2025, the United Kingdom and India notified the WTO of a proposed increase in tariffs on U.S. imports in response to the U.S. Section 232 steel and aluminum tariffs. Similarly, Japan notified the WTO of a proposed increase in tariffs on U.S. imports in response to the U.S. Section 232 tariffs on steel, aluminum, automobiles, and automobile parts. Neither country has released a list of products targeted for retaliation nor imposed retaliatory tariffs.

<sup>31</sup> For more background, see CRS Report R48549, *Presidential 2025 Tariff Actions: Timeline and Status*.

<sup>32</sup> Government of Canada, “List of Products from the United States Subject to 25 Per Cent Tariffs Effective March 4, 2025,” March 4, 2025, <https://www.canada.ca/en/department-finance/news/2025/03/list-of-products-from-the-united-states-subject-to-25-per-cent-tariffs-effective-march-4-2025.html>. Canada originally planned to implement retaliatory tariffs on February 4, 2025, but delayed for another month after the United States delayed its 25% tariffs on Canada.

<sup>33</sup> CRS calculations from Trade Data Monitor and Statistics Canada.

<sup>34</sup> Government of Canada, “Notice of Intent to Impose Countermeasures in Response to United States Tariffs on Canadian Goods,” March 7, 2025, <https://www.canada.ca/en/department-finance/programs/consultations/2025/notice-intent-impose-countermeasures-response-united-states-tariffs-on-canadian-goods.html>.

suspension of U.S. tariffs.<sup>35</sup> On March 7, President Sheinbaum stated that Mexico “would like to avoid imposing reciprocal tariffs” on U.S. goods and continue its dialogue with the United States but also would not rule out retaliatory tariffs.<sup>36</sup>

## **China’s Retaliatory Tariffs**

On February 10, China imposed retaliatory tariffs on certain U.S. goods in response to the 10% IEEPA tariffs on imports from China. These included a 10% tariff on U.S. agricultural machinery.<sup>37</sup> On March 10, China imposed additional tariffs of 10% or 15% in response to the United States’ March 3 announcement of a 10% increase of tariffs on imported goods from China.<sup>38</sup> These tariffs included mostly agricultural products. According to 2024 import statistics of China, these tariffs targeted about \$21.2 billion worth of U.S. agricultural imports.<sup>39</sup> By value, about 80% of the products facing retaliatory tariffs are bulk commodities, such as soybeans, cotton, sorghum, wheat, corn, and pulses. Consumer-oriented products targeted for retaliatory tariffs include beef, pork, poultry, dairy products (e.g., milk albumin, ice cream, cheese), fruit (e.g., cherries, oranges, apples), and tree nuts (e.g., pistachios, almonds, walnuts). Most of these products had faced retaliatory tariffs imposed by China during the first Trump Administration.

On April 4, 2025, in response to the United States’ 34% IEEPA “reciprocal tariff” on imports from China, China announced an additional 34% tariff on all U.S. goods effective April 10.<sup>40</sup> On April 9, following the U.S. announcement that the “reciprocal tariff” on imports from China was increasing from 34% to 84%, China announced that it was increasing its original additional 34% tariff on U.S. goods to 84% effective April 10.<sup>41</sup> On April 11, China further increased tariffs on U.S. goods from 84% to 125% effective April 12 in response to the United States’ April 10 increase of “reciprocal tariffs” on imports from China from 84% to 125%.<sup>42</sup> On May 12, 2025,

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<sup>35</sup> Fabiola Sánchez, “Tens of Thousands of Mexicans Rally with President to Celebrate US Decision to Delay Tariffs,” Associated Press, March 9, 2025.

<sup>36</sup> Government of Mexico, “Versión estenográfica. Conferencia de prensa de la presidenta Claudia Sheinbaum Pardo del 7 de abril de 2025 [Stenographic Version. Press Conference of President Claudia Sheinbaum Pardo],” April 7, 2025, <https://www.gob.mx/presidencia/articulos/version-estenografica-conferencia-de-prensa-de-la-presidenta-claudia-sheinbaum-pardo-del-7-de-abril-de-2025?idiom=es>; and Raul Cortes and Kylie Madry, “Mexico Seeks to Avoid Retaliatory Tariffs Against US, but Not Ruling Them Out,” Reuters, April 7, 2025.

<sup>37</sup> Ministry of Finance of the People’s Republic of China, “国务院关税税则委员会关于对原产于美国的部分进口商品加征关税的公告 [Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on Certain Imported Goods from the United States],” February 4, 2025, [https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202502/t20250204\\_3955222.htm](https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202502/t20250204_3955222.htm). For more information about U.S.-China tariff actions, see CRS In Focus IF12990, *U.S.-China Tariff Actions Since 2018: An Overview*.

<sup>38</sup> Ministry of Finance of the People’s Republic of China, “国务院关税税则委员会关于对原产于美国的部分进口商品加征关税的公告 [Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on Certain Imported Goods from the United States],” March 4, 2025, [https://gss.mof.gov.cn/gzdt/zhengcefabu/202503/t20250304\\_3959228.htm](https://gss.mof.gov.cn/gzdt/zhengcefabu/202503/t20250304_3959228.htm).

<sup>39</sup> CRS calculations from Trade Data Monitor and China Customs Statistics.

<sup>40</sup> Ministry of Finance of the People’s Republic of China, “国务院关税税则委员会关于对原产于美国的进口商品加征关税的公告 [Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on Imported Goods from the United States],” April 4, 2025, [https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250404\\_3961451.htm](https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250404_3961451.htm).

<sup>41</sup> Ministry of Finance of the People’s Republic of China, “国务院关税税则委员会关于调整对原产于美国的进口商品加征关税措施的公告 [Announcement of the Customs Tariff Commission of the State Council on Adjusting Tariff Measures on Imported Goods from the United States],” April 9, 2025, [https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250409\\_3961684.htm](https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250409_3961684.htm).

<sup>42</sup> Ministry of Finance of the People’s Republic of China, “国务院关税税则委员会关于调整对原产于美国的进口商 (continued...) ”

China and the United States issued a joint statement that reduced China's retaliatory tariffs to the U.S. "reciprocal tariffs" to 10%, while the United States reduced its "reciprocal tariffs" to 10% effective May 14, 2025, for 90 days.<sup>43</sup> See "'Reciprocal Tariffs' Addressing Trade Deficits" for further background.

## **European Union Retaliatory Tariffs**

On March 12, 2025, the EU announced that it would allow the suspension of its 2018 and 2020 tariff countermeasures against the United States to lapse on April 1, in response to U.S. steel and aluminum tariffs.<sup>44</sup> These tariffs targeted about \$1.3 billion worth of U.S. agricultural imports, according to 2024 EU import data.<sup>45</sup> Whiskey products, which were targeted with a 50% tariff, accounted for nearly half of the value of targeted imports. Other products targeted included corn, rice, tobacco products, peanut butter, cranberries, kidney beans, and peanut butter, all of which were subject to a 25% tariff, and essential oils, subject to a 10% tariff.

Additionally, the EU announced that it would gather information from stakeholders to determine which additional U.S. imports to target with tariffs.<sup>46</sup> Proposed additional targets include agricultural products such as poultry, beef, tree nuts, alcoholic beverages (e.g., beer, wine), dairy products, fruits, and vegetables.<sup>47</sup>

On March 20, the European Commissioner for Trade and Economic Security announced that the EU would postpone the first set of tariffs set to be imposed on April 1 to mid-April.<sup>48</sup> The commissioner explained that the EU is considering aligning the timing of the two sets of countermeasures to consult with EU member states on both lists simultaneously in light of proposed additional U.S. tariffs for April 2.

On April 7, 2025, President of the European Commission Ursula von der Leyen stated that the EU is ready to negotiate with the United States and offered "zero-for-zero tariffs for industrial goods."<sup>49</sup> In past trade negotiations, agriculture has been a contentious issue between the two trading partners because of key differences in agricultural regulatory issues (e.g., EU

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品加征关税措施的公告 [Announcement of the Customs Tariff Commission of the State Council on Adjusting Additional Tariff Measures on Imported Goods from the United States], April 11, 2025, [https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250411\\_3961823.htm](https://gss.mof.gov.cn/gzdt/zhengcefabu/202504/t20250411_3961823.htm).

<sup>43</sup> Ministry of Commerce of the People's Republic of China, "中美日内瓦经贸会谈联合声明 [Joint Statement on China-U.S. Economic and Trade Meeting in Geneva]," May 12, 2025, [https://www.mofcom.gov.cn/xwfb/ldrhd/art/2025/art\\_8055948aadb5450598bf73d1aae6828e.html](https://www.mofcom.gov.cn/xwfb/ldrhd/art/2025/art_8055948aadb5450598bf73d1aae6828e.html).

<sup>44</sup> European Commission (EC), "Commission Responds to Unjustified US Steel and Aluminium Tariffs with Countermeasures," March 12, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_740](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_740).

<sup>45</sup> CRS calculations from Trade Data Monitor and Eurostat.

<sup>46</sup> EC, "Information Gathering Notice Under Regulation (EU) No 654/2014 on the New US Tariffs on Steel and Aluminium Products, and Possible EU Rebalancing Measures in Response," March 12, 2025, [https://policy.trade.ec.europa.eu/consultations/information-gathering-notice-under-regulation-eu-no-6542014-new-us-tariffs-steel-and-aluminium\\_en](https://policy.trade.ec.europa.eu/consultations/information-gathering-notice-under-regulation-eu-no-6542014-new-us-tariffs-steel-and-aluminium_en).

<sup>47</sup> EC, "EU Countermeasures on US Steel and Aluminium Tariffs Explained," March 11, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda\\_25\\_750/QANDA\\_25\\_750\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda_25_750/QANDA_25_750_EN.pdf).

<sup>48</sup> EC, "Remarks by Commissioner Šefčovič at the Joint Hearing of the Committee on International Trade on Trade Relations with the United States and a Structured Dialogue," March 20, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/speech\\_25\\_840/SPEECH\\_25\\_840\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/speech_25_840/SPEECH_25_840_EN.pdf).

<sup>49</sup> EC, "Press Statement by President von der Leyen with Norwegian Prime Minister Støre," April 7, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement\\_25\\_996/STATEMENT\\_25\\_996\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement_25_996/STATEMENT_25_996_EN.pdf).

biotechnology approval process, use of growth promotants in U.S. meat production, and geographical indications).<sup>50</sup>

On April 10, following the 90-day postponement of the United States' country-specific "reciprocal tariffs," President von der Leyen announced a hold for 90 days on retaliatory tariffs that were set to go into effect April 15.<sup>51</sup> On April 14, the EU released a list of U.S. products to be subject to retaliatory tariffs and suspended all planned tariff measures until July 14, 2025.<sup>52</sup> Bulk commodities targeted include soybeans, corn, durum wheat, and rice. Consumer-oriented products targeted include almonds, beef, processed cranberries, tobacco products, cranberry and orange juices, spices, peanut butter, dried egg yolk, bakery goods and pasta, and ice cream. Tariff rates for agricultural products listed are 25%, except for essential oils, which would face a 10% tariff. The EU-proposed tariffs targeted about \$5.3 billion worth of U.S. agricultural products, according to 2024 EU import data.<sup>53</sup>

On May 8, 2025, the EU launched a public consultation on a list of U.S. agricultural and industrial imports that would be subject to retaliatory tariffs.<sup>54</sup> The consultation is in response to U.S. "reciprocal tariffs" and U.S. tariffs on automobiles and certain automobile parts.

## 2018 Through 2023 Trade Actions

### What Retaliatory Tariffs Were Imposed on U.S. Agriculture in 2018 and 2019?

In response to U.S. tariff actions in 2018, certain trading partners of the United States responded with retaliatory tariffs on U.S. goods, including agricultural products.<sup>55</sup> In April 2018, China responded to U.S. Section 232 steel and aluminum tariffs with retaliatory tariffs on certain U.S. imports, including agricultural products (e.g., fruit, ginseng, pork, tree nuts, wine). In June 2018, Mexico, the EU, and Turkey responded to Section 232 tariffs with retaliatory tariffs. The agricultural products targeted included pork products, cheese, apples, potatoes, cranberries, and whiskey by Mexico; corn, rice, sweet corn, kidney beans, certain breakfast cereals, peanut butter, orange juice, cranberry juice, whiskey, cigars, tobacco products, and essential oils by the EU; and tree nuts, rice, and tobacco by Turkey. In July 2018, Canada responded with retaliatory tariffs on U.S. products, including dairy, poultry, and beef products; coffee, chocolate, sugar, and

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<sup>50</sup> For more background about U.S.-European Union agricultural trade relations, see CRS Report R47095, *U.S.-EU Trade Relations*; and CRS Report R46241, *U.S.-EU Trade Agreement Negotiations: Trade in Food and Agricultural Products*.

<sup>51</sup> EC, "Statement by President von der Leyen," April 10, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement\\_25\\_1036/STATEMENT\\_25\\_1036\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement_25_1036/STATEMENT_25_1036_EN.pdf); and EC, "Commission Proposal to Impose Trade Countermeasures Against US Obtains Necessary Support from EU Member States," April 9, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement\\_25\\_1025/STATEMENT\\_25\\_1025\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement_25_1025/STATEMENT_25_1025_EN.pdf).

<sup>52</sup> EC, "EU Pauses Countermeasures Against US Tariffs to Allow Space for Negotiations," April 14, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_1058](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1058). The EU originally planned to implement tranches of retaliatory tariffs effective April 15, May 16, and December 1, 2025, prior to the April 14 postponement announcement.

<sup>53</sup> CRS calculations from Trade Data Monitor and Eurostat.

<sup>54</sup> EC, "Commission Consults on Possible Countermeasures and Readies WTO Litigation in Response to US Tariffs," May 8, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\\_25\\_1149/IP\\_25\\_1149\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_25_1149/IP_25_1149_EN.pdf).

<sup>55</sup> For background, see CRS Report R45903, *Retaliatory Tariffs and U.S. Agriculture*; and CRS Report R45929, *China's Retaliatory Tariffs on U.S. Agriculture: In Brief*.

confectionery; prepared food products; condiments; bottled water; and whiskies. India imposed retaliatory tariffs in June 2019 targeting U.S. chickpeas, almonds, walnuts, apples, and lentils.

Separate from the Section 232 tariffs and retaliatory tariffs, the United States also imposed tariffs on China under Title III of the Trade Act of 1974 (19 U.S.C. §§2411-2420), commonly referred to as “Section 301,” starting in July 2018. Between 2018 and 2019, the United States and China imposed several rounds of tariffs and retaliatory tariffs. Nearly all U.S. agricultural products faced retaliatory tariffs. In September 2019, China announced a tariff exclusion list for certain U.S. products subject to Section 301 retaliatory tariffs, including agricultural products such as alfalfa and whey for feed use.<sup>56</sup> In February 2020, China announced a tariff exclusion process for Chinese companies impacted by the Section 301 retaliatory tariffs on U.S. imports.<sup>57</sup>

According to one analysis, during the 2018/2019 trade conflict, agricultural products accounted for 68% of China’s Section 232 retaliation, 22% of China’s Section 301 retaliation, 33% of the EU’s retaliation, 20% of Canada’s retaliation, 79% of Mexico’s retaliation, nearly 20% of Turkey’s retaliation, and 61% of India’s retaliation.<sup>58</sup>

In May 2019, the United States removed Section 232 tariffs on Canada and Mexico, and in turn, Canada and Mexico removed retaliatory tariffs on the United States to facilitate the ratification of USMCA.<sup>59</sup>

Following an October 2021 agreement between the United States and the EU on the Section 232 tariffs, the EU suspended retaliatory tariffs that included U.S. agricultural products from January 2022 to the end of December 2023, and later extended the suspension to the end of March 2025.<sup>60</sup> The EU postponed imposing retaliatory tariffs in order to assess the planned U.S. April 2, 2025, “reciprocal tariffs” announcement and postponed again in response to the U.S. 90-day pause of country-specific “reciprocal tariffs.”<sup>61</sup> EU retaliatory tariffs are suspended until July 14, 2025. See “European Union Retaliatory Tariffs” for further background.

The United Kingdom (UK) suspended Section 232 retaliatory tariffs effective June 2022.<sup>62</sup> The UK inherited the original EU retaliatory tariffs when the UK separated from the EU customs union in January 2021.

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<sup>56</sup> USDA, FAS, *Outcome of Batch One of China’s Tariff Exclusion Process*, GAIN Report CH19061, September 18, 2019,

[https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Outcome%20of%20Batch%20One%20of%20China%E2%80%99s%20Tariff%20Exclusions%20Process%20\\_Beijing\\_China%20-%20Peoples%20Republic%20of\\_9-17-2019](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Outcome%20of%20Batch%20One%20of%20China%E2%80%99s%20Tariff%20Exclusions%20Process%20_Beijing_China%20-%20Peoples%20Republic%20of_9-17-2019).

<sup>57</sup> USDA, FAS, *China Announces a New Round of Tariff Exclusions*, GAIN Report CH2020-0017, February 26, 2020, [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=China%20Announces%20a%20New%20Round%20of%20Tariff%20Exclusions\\_Beijing\\_China%20-%20Peoples%20Republic%20of\\_02-18-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=China%20Announces%20a%20New%20Round%20of%20Tariff%20Exclusions_Beijing_China%20-%20Peoples%20Republic%20of_02-18-2020).

<sup>58</sup> Jason H. Grant et al., “Agricultural Exports and Retaliatory Trade Actions: An Empirical Assessment of the 2018/2019 Trade Conflict,” *Applied Economic Perspectives and Policy*, vol. 43, no. 2 (June 2021), p. 18.

<sup>59</sup> Ana Swanson and Dan Bilefsky, “United States Reaches Deal to Lift Metal Tariffs on Canada and Mexico,” *New York Times*, May 17, 2019.

<sup>60</sup> EC, “EU Prolongs Tariff Suspension for US Products Related to the Steel and Aluminium Dispute,” December 19, 2023, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\\_23\\_6713/IP\\_23\\_6713\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_23_6713/IP_23_6713_EN.pdf).

<sup>61</sup> EC, “EU Countermeasures on US Steel and Aluminium Tariffs Explained,” March 11, 2025, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda\\_25\\_750/QANDA\\_25\\_750\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda_25_750/QANDA_25_750_EN.pdf); and EC, “EU Pauses Countermeasures Against US Tariffs to Allow Space for Negotiations,” April 14, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_1058](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1058).

<sup>62</sup> Government of the United Kingdom, “UK and US Resolve Steel and Aluminium Tariffs Issue,” March 22, 2022, <https://www.gov.uk/government/news/uk-and-us-resolve-steel-and-aluminium-tariffs-issue>.

In September 2023, India removed retaliatory tariffs on U.S. almonds, apples, chickpeas, lentils, and walnuts following a June 2023 resolution between the United States and India that terminated six nonagricultural WTO disputes.<sup>63</sup>

## Were U.S. Agricultural Exports Affected by Retaliatory Tariffs?

The retaliatory tariffs were one of many factors that influenced agricultural exports. **Table 3** displays U.S. agricultural exports to retaliating and non-retaliating trading partners from 2017 to 2020 in nominal values. Although China, Canada, Mexico, the EU, and Turkey imposed retaliatory tariffs in the spring and summer of 2018, total U.S. agricultural exports from 2017 compared to 2018 increased by 1%. While exports to China declined by 53%, other U.S. agricultural export markets (e.g., the EU, Vietnam, South Korea, Egypt) saw an increase of exports that offset the decline in exports to China. The total value of U.S. agricultural exports declined in 2019 and 2020 relative to 2018 levels and remained similar to 2017 levels. Although foreign tariffs impact the competitiveness of U.S. agricultural exports in relation to other foreign suppliers, other factors may contribute to U.S. trade flows because of unique dynamics of specific commodities. This section provides a snapshot of select major U.S. agricultural exports between 2017 and 2020 that were impacted by retaliatory tariffs, to illustrate the role of tariffs and nontariff factors on agricultural trade flows.

**Table 3. U.S. Agricultural Exports to Retaliating and Non-Retaliating Trading Partners, 2017 to 2020**

In Billions of Dollars (nominal)

Trading Partner	2017	2018	2019	2020
U.S. exports to retaliating trading partners				
China	19.6	9.2	13.9	26.4
Canada	21.7	22.0	21.9	22.3
Mexico	18.8	19.3	19.4	18.3
EU-28	12.4	14.5	12.6	12.1
India	1.9	1.8	2.1	1.7
Turkey	1.8	1.5	1.3	1.2
U.S. exports to non-retaliating trading partners	66.7	76.4	69.9	67.6
<b>Total U.S. agricultural exports</b>	<b>142.9</b>	<b>144.7</b>	<b>141.1</b>	<b>149.7</b>

**Source:** CRS from USDA, GATS data (BICO-10).

**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding. EU-28 = the European Union customs union and its 28 member countries, which included the United Kingdom until it left in January 2021.

## Soybeans

**Table 4** presents annual total U.S. soybean exports from 2017 to 2020, broken down by major markets (i.e., China, the EU, Mexico, and Egypt) and the rest of the world combined. China imposed retaliatory tariffs on U.S. soybeans starting in 2018, which is reflected in a 74% decline

<sup>63</sup> USDA, FAS, *Success Story – India Cuts Retaliatory Tariffs on US Almonds-Apples-Walnuts-Chickpeas-Lentils*, GAIN Report IN2023-0066, September 12, 2023 and USTR, “United States Announces Major Resolution on Key Trade Issues with India,” June 22, 2023.

in exports by value in 2018 compared to 2017. Between 2009 and 2017, nearly 60% of U.S. soybean exports by value on average were destined for China. Other U.S. trading partners such as the EU, Mexico, and Egypt increased imports of U.S. soybeans but not at levels to replace the shortfall from the decline of China's imports. USDA attributed the increased imports of U.S. soybeans from trading partners other than China to factors such as more competitive prices of U.S. soybeans following China's retaliatory tariffs, Brazil-sourced soybeans commanding a price premium, and tighter supplies from Argentina because of drought.<sup>64</sup> Another factor that may have affected China's imports for soybeans from the United States and other suppliers was dampened demand for animal feed because of the spread of African swine fever in China beginning in the summer of 2018 and the culling of 750,000 to 1.1 million swine.<sup>65</sup>

**Table 4. U.S. Soybean Exports, 2017 to 2020**

In Millions of Dollars (nominal)

Trading Partner	2017	2018	2019	2020
China	12,224.4	3,119.2	8,004.9	14,065.7
EU-28	1,636.7	3,077.5	1,953.2	1,970.8
Mexico	1,574.2	1,818.0	1,878.1	1,879.8
Egypt	364.5	1,163.5	994.7	1,486.2
Rest of world	5,656.5	7,879.8	5,862.8	6,113.7
<b>Total U.S. soybean exports</b>	<b>21,456.3</b>	<b>17,058.1</b>	<b>18,693.6</b>	<b>25,516.2</b>

**Source:** CRS from USDA, GATS data (BICO-10).

**Notes:** Data are not adjusted for inflation. Values may not sum to totals shown because of rounding. EU-28 = the European Union customs union and its 28 member countries, which included the United Kingdom until it left in January 2021.

## Corn

Annual total U.S. corn exports from 2017 to 2020 are displayed in **Table 5**, broken down by select markets and the rest of the world. China and the EU imposed tariffs on U.S. corn in 2018. In 2018, EU imports initially surged prior to the imposition of June 2018 retaliatory tariffs and dwindled afterward, which resulted in a total of about \$320 million of U.S. corn exported to the EU in 2018, which dropped to about \$510,000 in 2019. U.S. corn exports to China also saw declines in 2018 and 2019 compared to 2017. Historically, U.S. corn exports to China varied from year to year even before the implementation of retaliatory tariffs. The United States has cited past issues affecting U.S. corn market access into China, including China's biotechnology policy, policy in liquidating domestic corn stocks, and lack of transparency in how China administers its tariff-rate quota for corn (as well as rice and wheat).<sup>66</sup> According to USDA, multiple factors

<sup>64</sup> USDA, FAS, *EU-28: Oilseeds and Products Update – Lowest Rapeseed Crop in Over a Decade*, GAIN Report AU1907, September 12, 2019; USDA, FAS, *Mexico: Oil Seeds and Products Annual: Lack of Supports to Slow Oilseed Production, While Meal and Oil Remain Stable*, GAIN Report MX9014, April 1, 2019; and USDA, FAS, *Egypt: Oilseeds and Products Annual 2019: U.S. Soybean Exports to Egypt Skyrocket, Volume Likely to Continue Through 2020*, GAIN Report EG19004, March 31, 2019.

<sup>65</sup> Stephen Morgan et al., *The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture*, USDA, ERS, January 2022, p. 25; and Fred Gale et al., *How China's African Swine Fever Outbreaks Affected Global Pork Markets*, USDA, ERS, November 2023, p. 12.

<sup>66</sup> USTR, *2019 Report to Congress on China's WTO Compliance*, March 2020, p. A-69; and USTR, *2022 Report to Congress on China's WTO Compliance*, February 2023, pp. 31-32. Tariff-rate quotas (TRQs) are two-tiered (continued...)

contributed to the decline in U.S. corn exports in 2019, including higher U.S. prices due to reduced production and strong domestic use for feed and ethanol, and export competition from Argentina, Brazil, and Ukraine.<sup>67</sup> In 2020, U.S. corn exports to China increased 2,136% from the previous year following the U.S.-China Phase One Agreement and China's exclusions for Section 301 retaliatory tariffs on agricultural products.<sup>68</sup>

**Table 5. U.S. Corn Exports, 2017 to 2020**

In Millions of Dollars (nominal)

Trading Partner	2017	2018	2019	2020
Mexico	2,645.5	3,060.8	2,735.9	2,685.2
Japan	2,163.4	2,813.0	2,011.2	1,855.5
China	142.0	50.2	55.5	1,240.5
Colombia	784.7	927.3	682.5	879.2
South Korea	705.4	1,355.7	358.7	548.1
EU-28	113.2	319.8	0.5	0.4
Rest of world	2,576.4	3,945.5	1,826.4	2,037.1
<b>Total U.S. corn exports</b>	<b>9,130.6</b>	<b>12,472.4</b>	<b>7,670.6</b>	<b>9,245.9</b>

**Source:** CRS from USDA, GATS data (BICO-10).

**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding. EU-28 = the European Union customs union and its 28 member countries, which included the United Kingdom until it left in January 2021.

## Tree Nuts

**Table 6** displays U.S. tree nut exports, broken down by top export markets in addition to Turkey and the rest of the world. Starting in mid-2018, China and Turkey imposed retaliatory tariffs on U.S. tree nuts (e.g., almonds, cashews, pistachios, walnuts). In June 2019, India imposed retaliatory tariffs on U.S. almonds and walnuts. Generally, from 2017 to 2020, U.S. exports of tree nuts by value increased yearly despite the imposition of retaliatory tariffs. USDA attributed strong domestic demand in China and India for tree nuts as driving U.S. export growth.<sup>69</sup> Other factors that favored U.S. tree nut export growth were the United States' share in world production and trade, particularly for almonds and walnuts, as well as a steep drop-off in Iranian pistachio production and exports because of a weather shock in marketing year 2018/2019.<sup>70</sup> Despite Turkey's retaliatory tariffs, the United States was still a major source of almond and walnut imports for Turkey but with decreasing market share after 2018.<sup>71</sup>

applications of tariffs for an imported product. A specified quantity of imports (in-quota) enters the importing country at a reduced tariff rate. Imports that exceed the quantity (out-of-quota or over-quota) typically face higher tariffs.

<sup>67</sup> USDA, FAS, *2019 United States Agricultural Export Yearbook*, July 22, 2020, pp. 5-6.

<sup>68</sup> USDA, FAS, *2020 United States Agricultural Export Yearbook*, April 5, 2021, p. 6; and USDA, FAS, *China: Grain and Feed Annual*, GAIN Report CH2020-0048, April 6, 2020.

<sup>69</sup> USDA, FAS, *2019 United States Agricultural Export Yearbook*, pp. 27-28; and USDA, FAS, *2020 United States Agricultural Export Yearbook*, pp. 29-30.

<sup>70</sup> USDA, FAS, *2019 United States Agricultural Export Yearbook*, p. 28; and USDA, FAS, *2020 United States Agricultural Export Yearbook*, p. 30; and USDA, FAS, *Tree Nuts: World Markets and Trade*, February 2019.

<sup>71</sup> USDA, FAS, *Turkey: Tree Nuts Annual*, GAIN Report TU2020-0031, September 23, 2020.

**Table 6. U.S. Tree Nut Exports, 2017 to 2020**

In Millions of Dollars (nominal)

Trading Partner	2017	2018	2019	2020
EU-28	2,707.2	2,768.5	3,114.9	2,877.8
India	738.0	662.5	823.2	913.6
China	242.9	328.3	605.4	747.2
Canada	642.7	695.8	697.4	738.2
Turkey	308.4	278.9	340.4	249.8
Rest of world	3,840.0	3,781.3	3,493.2	2,873.0
<b>Total U.S. tree nut exports</b>	<b>8,479.4</b>	<b>8,515.5</b>	<b>9,074.5</b>	<b>8,399.6</b>

**Source:** CRS from USDA, GATS data (BICO-10).

**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding. EU-28 = the European Union customs union and its 28 member countries, which included the United Kingdom until it left in January 2021.

## Pork

**Table 7** displays U.S. pork and pork product exports, broken down by the top five export markets and the rest of the world. China and Mexico imposed tariffs on U.S. pork and pork product exports in mid-2018, with Mexico lifting tariffs in mid-2019. U.S. pork exports to China dropped 14% by value between 2017 and 2018. In 2019, U.S. pork exports to China rebounded despite the retaliatory tariffs, which USDA attributes to decreased domestic pork production in China caused by African swine fever outbreaks.<sup>72</sup> U.S. pork exports to Mexico declined 13% by value from 2017 to 2018, while Canada gained market share in 2018.<sup>73</sup> Despite Mexico lifting its tariffs, U.S. pork exports declined from 2018 to 2020, which USDA attributes to strong domestic production, a weak Mexican economy, and depreciation of the peso.<sup>74</sup>

<sup>72</sup> USDA, FAS, *China: Livestock and Products Annual*, GAIN Report CH2019-0205, August 7, 2020; Fred Gale et al., *How China's African Swine Fever Outbreaks Affected Global Pork Markets*, pp. 20-21; and Frank Kyekyeku Nti et al., "Impact of Retaliatory Tariffs on the U.S. Pork Sector," *Choices* (Quarter 4, 2019).

<sup>73</sup> USDA, FAS, *Mexico: Livestock and Products Annual: Higher Pork Consumption Drives Production as Mexico Increases Exports of Pork and Beef*, GAIN Report MX9027, August 15, 2019; and Frank Kyekyeku Nti et al., "Impact of Retaliatory Tariffs on the U.S. Pork Sector."

<sup>74</sup> USDA, FAS, *2019 United States Agricultural Export Yearbook*, p. 17; and USDA, FAS, *2020 United States Agricultural Export Yearbook*, p. 17.

**Table 7. U.S. Pork and Pork Product Exports, 2017 to 2020**

In Millions of Dollars (nominal)

Trading Partner	2017	2018	2019	2020
China	662.3	570.9	1,300.2	2,279.8
Japan	1,625.9	1,630.5	1,523.4	1,622.9
Mexico	1,514.1	1,310.7	1,278.4	1,162.3
Canada	792.8	764.8	801.8	854.0
South Korea	475.1	670.3	592.9	452.6
Rest of world	1,415.0	1,455.4	1,454.8	1,347.8
<b>Total U.S. pork and pork products</b>	<b>6,485.1</b>	<b>6,402.8</b>	<b>6,951.5</b>	<b>7,719.6</b>

**Source:** CRS from USDA, GATS data (BICO-10).**Notes:** Data are not just adjusted for inflation. Values may not sum to totals shown because of rounding.

## Were U.S. Farm Sector Sales Affected by Retaliatory Tariffs?

The retaliatory tariffs were one of many factors that influenced U.S. farm sector sales. The farm sector earns revenue from the sales of crops, livestock, and animal products. The total value of these commodities was approximately \$370 billion in 2017, \$372 billion in 2018, \$369 billion in 2019, and \$368 billion in 2020 (**Table 8**). Compared to 2017 levels, the total value of crops, livestock, and animal products sold was approximately \$1.6 billion higher in 2018, \$1.1 billion lower in 2019, and \$2.9 billion lower in 2020.

**Table 8. Value of Crops, Livestock, and Animal Products Sold, 2017 to 2020**

In Billions of Dollars (nominal)

Commodity Type	2017	2018	2019	2020
<b>Crops</b>				
Cotton	\$7.57	\$7.48	\$6.82	\$6.81
Feed crops	\$53.92	\$57.29	\$58.42	\$57.52
Food grains	\$11.20	\$12.13	\$11.51	\$11.78
Fruits and nuts	\$30.59	\$29.35	\$29.19	\$27.83
Oil crops	\$41.09	\$39.47	\$36.22	\$43.84
Tobacco	\$1.38	\$1.22	\$0.96	\$0.82
Vegetables and melons	\$20.50	\$18.70	\$19.11	\$21.06
All other crops	\$28.62	\$30.35	\$31.53	\$32.83
<b>Livestock and animal products</b>				
Dairy products	\$37.94	\$35.24	\$40.55	\$40.36
Cattle and calves	\$66.94	\$67.18	\$66.19	\$63.32
Hogs	\$21.04	\$20.77	\$21.76	\$19.16
Miscellaneous livestock	\$6.86	\$6.94	\$7.06	\$7.00
Poultry and eggs	\$42.79	\$45.96	\$40.00	\$35.17
<b>Total</b>	<b>\$370.44</b>	<b>\$372.07</b>	<b>\$369.32</b>	<b>\$367.50</b>

**Source:** CRS calculations using USDA, Economic Research Service, “Farm Income and Wealth Statistics—Value Added by the U.S. Agricultural Sector, 2016-2025F,” updated February 2025, <https://data.ers.usda.gov/reports.aspx?ID=4047>.

**Notes:** Feed crops include barley, corn, hay, oats, and grain sorghum. Food grains include rice, rye, and wheat. Dairy products includes milk.

While the total value of crops, livestock, and animal products sold remained relatively level from 2017 to 2020, sales were variable for all categories of commodities over this period. In 2018, the value of feed grains, food grains, cattle and calves, poultry and eggs, and all other crops increased relative to 2017 levels; the total value of other agricultural commodities sold declined in 2018 relative to 2017 levels (**Table 8**). In 2019, the value of feed grains, food grains, all other crops, dairy, hogs, and miscellaneous livestock increased relative to 2017 levels, while the total value for other agricultural commodities declined relative to 2017 levels.

Changes in market prices between 2017 and 2020 contributed to the changes in the values of commodities sold each year. For example, retaliatory tariffs imposed in 2018 targeted specific agricultural commodities, including almonds, fresh sweet cherries, corn, cotton, hogs, milk, sorghum, soybeans, and wheat. Compared to 2017, 2018 marketing year average prices were higher for corn, upland cotton, sorghum, and wheat and lower for the other targeted commodities (**Table 9**). Compared to 2017, 2019 marketing year average prices were higher for corn, milk, and sorghum and lower for the other targeted commodities. Compared to 2017, 2020 marketing year average prices were higher for fresh sweet cherries, corn, milk, sorghum, soybeans, and wheat and lower for the other targeted commodities.

**Table 9. Marketing Year Average Prices for Selected Agricultural Commodities, 2017 to 2020**

In Dollars per Unit (Nominal)

Commodity	Unit	2017	2018	2019	2020
Almonds	Pound	\$2.53	\$2.50	\$2.45	\$1.71
Cherries (fresh sweet)	Ton	\$2.06	\$1.83	\$1.93	\$2.92
Corn	Bushel	\$3.36	\$3.61	\$3.56	\$4.53
Cotton (extra long staple)	Pound	\$1.39	\$1.15	\$1.06	\$1.19
Cotton (upland)	Pound	\$0.69	\$0.70	\$0.60	\$0.66
Hogs	Hundredweight	\$53.10	\$50.20	\$51.40	\$46.90
Milk	Hundredweight	\$17.69	\$16.28	\$18.65	\$18.16
Sorghum	Hundredweight	\$5.75	\$5.82	\$5.96	\$9.00
Soybeans	Bushel	\$9.33	\$8.48	\$8.57	\$10.80
Wheat	Bushel	\$4.72	\$5.16	\$4.58	\$5.05

**Source:** CRS using USDA, National Agricultural Statistics Service, “Quick Stats,” accessed March 14, 2025.

## What Were the Economic Losses to the U.S. Agricultural Sector from Retaliatory Tariffs in 2018 and 2019?

Various studies have estimated losses to the U.S. agricultural sector associated with retaliatory tariffs; these studies employ different methodologies and provide differing estimates of losses

attributable to retaliatory tariffs.<sup>75</sup> Estimates of economic losses made by USDA's Office of the Chief Economist (OCE) in 2018 and 2019 had extra significance for policymakers as they were used to inform USDA's responses to retaliatory tariffs in 2018 and 2019 (see "USDA's Response to Retaliatory Tariffs").<sup>76</sup>

USDA OCE estimated that the 2018 economic losses were between \$11 billion and \$12 billion.<sup>77</sup> According to USDA figures reported by the Government Accountability Office (GAO), \$10.2 billion of the estimated \$11 billion to \$12 billion were for losses to almonds, fresh sweet cherries, corn, cotton, dairy, hogs, sorghum, soybeans, and wheat.<sup>78</sup> According to USDA figures reported by GAO, USDA OCE estimated that the 2019 economic losses for agricultural and related commodities were approximately \$16.9 billion.<sup>79</sup>

In January 2022, USDA ERS published updated estimates of trade losses. ERS reported estimates of approximately \$27 billion in trade losses between July 2018 and December 2019.<sup>80</sup> ERS reported that China's retaliatory tariffs reduced the value of U.S. agricultural trade by approximately \$25.7 billion, and retaliatory tariffs imposed by other countries reduced the value of U.S. agricultural trade by approximately \$1.5 billion. ERS reported estimated annualized losses for some commodities, including \$9.35 billion for soybeans, \$854 million for sorghum, \$646 million for pork, \$618 million for fruits, \$391 million for dairy, \$366 million for cotton, \$309 million for wheat, \$219 million for tree nuts, \$198 million for corn, and \$46 million for rice.

USDA OCE estimated economic losses in 2018 and 2019 by projecting hypothetical scenarios of world trade that could have occurred had retaliatory tariffs not been imposed on U.S. agricultural products. USDA OCE made those projections before data on actual exports were available for the year as part of USDA's efforts to "craft a short-term relief strategy to protect agricultural producers" in accordance with Presidential directives.<sup>81</sup> Updating such projections with subsequently available data suggests that USDA OCE may have overestimated trade losses in 2018 and 2019. Actual agricultural exports were approximately \$145 billion in 2018 and approximately \$141 billion in 2019 (**Table 3**). These values compare to agricultural exports in 2015, 2016, and 2017 of \$137 billion, \$139 billion, and \$143 billion, respectively. USDA's

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<sup>75</sup> See, for example, USDA, ERS, *The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture*, ERR-304, January 2022.

<sup>76</sup> USDA, *Cost Benefit Analysis: Market Facilitation Program*, July 24, 2018; USDA, "USDA Announces Support for Farmers Impacted by Unjustified Retaliation and Trade Disruption," press release, May 23, 2019; USDA Office of the Chief Economist (OCE), *Trade Damage Estimation for the Market Facilitation Program and Food Purchase and Distribution Program*, September 13, 2018; and USDA OCE, *Trade Damage Estimation for the 2019 Market Facilitation Program and Food Purchase and Distribution Program*, August 22, 2019.

<sup>77</sup> USDA, "USDA Assists Farmers Impacted by Unjustified Retaliation," press release, July 24, 2018, <https://www.usda.gov/about-usda/news/press-releases/2018/07/24/usda-assists-farmers-impacted-unjustified-retaliation>. In the press release, USDA stated that they were authorizing "up to \$12 billion in programs, which is in line with the estimated \$11 billion impact of the unjustified retaliatory tariffs on U.S. agricultural goods."

<sup>78</sup> CRS calculations using data in GAO, "Appendix III: 2018 MFP and 2019 MFP Trade Damage Estimate and Payment Methodologies," in *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*, GAO-22-468, November 2021, <https://www.gao.gov/assets/gao-22-468.pdf>.

<sup>79</sup> CRS calculations using data in GAO, "Appendix III: 2018 MFP and 2019 MFP Trade Damage Estimate and Payment Methodologies," in *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*. Related commodities included distiller's dried grains with solubles, ethanol, peanut butter, infant formula, ice cream, casein, and lactose.

<sup>80</sup> USDA, ERS, *The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture*, ERR-304, January 2022.

<sup>81</sup> USDA, "USDA Assists Farmers Impacted by Unjustified Retaliation," press release, July 24, 2018.

estimated economic losses imply that USDA effectively projected agricultural exports in 2018 and 2019 to be approximately \$157 billion in the absence of retaliatory tariffs.<sup>82</sup>

USDA ERS reported estimated trade losses for 2018 and 2019 at levels similar to USDA OCE's estimates. To calculate these estimated trade losses, USDA ERS used estimates published in an academic study with a different methodology than had been used by USDA OCE in 2018 and 2019.<sup>83</sup> This methodology is one of many that are commonly used in the academic literature to estimate economic losses from retaliatory tariffs. Other commonly used methodologies may estimate different losses. For example, a different academic study found that total 2018 and 2019 economic losses for soybeans were \$3.2 billion;<sup>84</sup> USDA OCE estimated soybean losses at \$3.6 billion for 2018 alone.<sup>85</sup> That study found that USDA overcompensated the agricultural sector by \$5.4 billion for soybean losses in 2018 and 2019.<sup>86</sup>

Methods used to estimate trade losses from retaliatory tariffs can produce different estimates depending on the data used. USDA OCE produced estimates in 2018 after spring planting was complete but before 2018 commodities were harvested. In 2019, USDA OCE produced estimates before farmers had finished spring planting. USDA OCE acted at those times in support of the Administration's goal of providing expedited assistance to farmers who experienced trade disruptions with major export markets. Some policymakers may agree with the Administration's decision to provide expedited assistance to farmers in 2018 and 2019. Other policymakers may question the need for expedited assistance in 2018 and 2019 given the availability of other farm support programs.<sup>87</sup>

In addition, methods used to estimate trade losses can produce different estimates depending on the assumptions applied. In their 2021 analysis of the Market Facilitation Program (MFP), GAO found that USDA OCE's 2018 estimates of economic losses "used a justifiable baseline" to model what trade would have been in the absence of retaliatory tariffs.<sup>88</sup> GAO also found that USDA OCE's 2019 estimates of economic losses "used baselines that did not best represent what trade would be absent the retaliatory tariffs, and that increased trade damage estimates." In their response to GAO's 2021 analysis, USDA OCE stated that

[t]he draft report's finding that the 2019 baseline is not representative and increased trade damage estimates does not take into account that the decision on what is the appropriate baseline depends on the policy goals and that there is not one single most representative baseline. OCE provided alternatives that reflected different options based on the direction of senior USDA decision makers under the previous administration and selection of the baseline was part of the program design and not made by OCE.<sup>89</sup>

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<sup>82</sup> CRS calculations. Actual 2018 trade of \$145 billion plus \$12 billion in estimated trade losses is \$157 billion. Actual 2019 trade of \$141 billion plus \$16 billion in estimated trade losses is \$157 billion.

<sup>83</sup> USDA ERS used estimated product-specific changes in the value of exports as published in Jason H. Grant et al., "Agricultural Exports and Retaliatory Trade Actions: An Empirical Assessment of the 2018/2019 Trade Conflict," *Applied Economic Perspectives and Policy*, vol. 43, no. 2 (June 2021).

<sup>84</sup> Michael Adjemian et al., "Estimating the Market Effect of a Trade War: The Case of Soybean Tariffs," *Food Policy*, vol. 105 (December 2021).

<sup>85</sup> USDA, *Cost Benefit Analysis: Market Facilitation Program*, July 24, 2018.

<sup>86</sup> Michael Adjemian et al., "Estimating the Market Effect of a Trade War: The Case of Soybean Tariffs."

<sup>87</sup> For background on other farm support programs, see CRS In Focus IF12218, *Farm Bill Primer: Farm Safety Net Programs*.

<sup>88</sup> GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*.

<sup>89</sup> GAO, "Appendix VIII: Comments from the Department of Agriculture," in *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*, p. 86.

USDA OCE also noted that their 2018 and 2019 economic analyses adhered to departmental and Office of Management and Budget requirements for economic analyses. Some policymakers may support USDA's senior decisionmakers' reliance on USDA OCE to estimate economic losses in order to be timely and responsive to decisionmakers' requirements. Other policymakers may support the use of independent feedback on USDA OCE's economic analyses used to inform USDA policymaking.

## **What Were the U.S.-China Phase One Agreement Provisions for Agriculture?**

In January 2020, President Trump and China's Vice Premier Liu He signed the "Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China" (U.S.-China Phase One Agreement) to reduce U.S.-China trade tensions that escalated in 2018 when the United States imposed several rounds of tariffs on imports from China under Section 232 of the Trade Expansion Act of 1962 and Section 301 of the Trade Act of 1974 authorities.<sup>90</sup> The Phase One Agreement included purchase commitments of U.S. imports by China of no less than \$12.5 billion and \$19.5 billion above a 2017 baseline in agricultural and seafood products total for 2020 and 2021, respectively.<sup>91</sup> Other provisions in the agreement included China abiding by its WTO obligations by improving its tariff-rate quota administration for wheat, corn, and rice and greater transparency of its domestic support programs.<sup>92</sup> China also agreed to implement a "transparent, predictable, efficient, and risk-based regulatory process" for evaluating and authorizing agricultural biotechnology products. The agreement contains SPS-measures-related provisions to facilitate trade for agricultural and food products. Additionally, in March 2020, China implemented a new Section 301 retaliatory tariff exclusion process for imported U.S. agricultural products, although this was not directly associated with the Phase One Agreement.<sup>93</sup> Prior to the March 2020 exclusion process, only certain enumerated products were considered for tariff exclusions.

U.S. export and China's import data show that China did not meet its purchase commitments of U.S. agricultural and seafood products listed in the Phase One Agreement for the years 2020 and 2021, falling short by an estimated total of \$13.1 billion (based on U.S. trade data) or \$18.1 billion (based on China's trade data) over the two years.<sup>94</sup> Subsequent reports from the Office of

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<sup>90</sup> For background, see CRS In Focus IF12125, *Section 301 and China: The U.S.-China Phase One Trade Deal*; and CRS In Focus IF11412, *U.S.-China Phase I Deal: Agriculture*. For the agreement text and agriculture-related fact sheets of the U.S.-China Phase One Agreement, see USDA, FAS, "China Phase One Agreement," <https://www.fas.usda.gov/topics/china-phase-one-agreement>.

<sup>91</sup> The U.S.-China Phase One Agreement does not explicitly state the 2017 baseline amount. The agreement specifies that both U.S. and Chinese trade data will be used to determine whether the purchase commitment provisions have been implemented. The 2017 baseline amount of approximately \$20.9 billion is based on CRS calculations from Trade Data Monitor and U.S. Census Bureau data of U.S. agricultural and seafood product exports to China identified in Annex 6.1 of the U.S.-China Phase One Agreement. The 2017 baseline amount would be approximately \$24.1 billion based on CRS calculations from Trade Data Monitor and China Customs Statistics' import data of U.S. agricultural and seafood products. For background on differences in U.S. and China's trade data, see CRS Report RS22640, *What's the Difference?—Comparing U.S. and Chinese Trade Data*.

<sup>92</sup> Separate from and prior to the Phase One Agreement, the United States initiated and won two WTO disputes against China's administration of its TRQs for wheat, corn, and rice and agricultural domestic support policies for rice and wheat. TRQs are two-tiered applications of tariffs for an imported product. A specified quantity of imports (in-quota) enters into the importing country at a reduced tariff rate. Imports that exceed the quantity (out-of-quota or over-quota) typically face higher tariffs.

<sup>93</sup> USDA, FAS, *China Announces a New Round of Tariff Exclusions*, GAIN Report CH2020-0017, February 26, 2020.

<sup>94</sup> CRS calculations from Trade Data Monitor, U.S. Census Bureau, and China Customs Statistics data.

the U.S. Trade Representative assert that China did not fully implement its obligations under the Phase One Agreement, including provisions related to agricultural trade.<sup>95</sup>

## **USDA's Response to Retaliatory Tariffs**

### **How Did USDA Respond to Retaliatory Tariffs in 2018 and 2019?**

In response to foreign trade retaliation targeting U.S. agricultural products in 2018 and 2019, the Secretary of Agriculture used the authorities and funds of the Commodity Credit Corporation (CCC) to provide additional assistance to the farm sector.<sup>96</sup> USDA made available up to \$12.0 billion in CCC funding in 2018 and up to \$16.0 billion in CCC funding in 2019. USDA determined how much funding to make available each year on the basis of its modeling of economic losses resulting from foreign countries imposing retaliatory tariffs (see “What Were the Economic Losses to the U.S. Agricultural Sector from Retaliatory Tariffs in 2018 and 2019?”).

The funds made available in 2018 and 2019 were distributed through three ad hoc programs: the Market Facilitation Program (MFP), the Food Purchase and Distribution Program (FPDP), and the Agricultural Trade Promotion Program (ATP). These programs provided direct income support payments to farmers, purchased agricultural commodities, and supported trade promotion activities, respectively. Support from MFP, FPDP, and ATP supplemented direct income support, commodity purchases, and trade promotion activities authorized by the farm bill and other legislation.<sup>97</sup>

The bulk of the CCC funds were distributed through MFP (**Table 10**). MFP made direct payments to producers of eligible crops, dairy, and hogs. USDA made significant changes to MFP between the first and second rounds of funding, including expanding the commodities eligible for support, increasing payment limits for producers, and shifting from commodity-specific payments to county-specific payments, among other changes.<sup>98</sup>

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<sup>95</sup> See USTR, *2024 National Trade Estimate Report on Foreign Trade Barriers*, March 2024, pp. 51-60; and USTR, *2024 Report to Congress on China's WTO Compliance*, January 2025.

<sup>96</sup> For background on the authorities and funds of the Commodity Credit Corporation, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*.

<sup>97</sup> For additional background on income support authorized through the farm bill, see CRS In Focus IF12218, *Farm Bill Primer: Farm Safety Net Programs*. For additional background on USDA's commodity purchasing authorities, see CRS In Focus IF12193, *Farm and Food Support Under USDA's Section 32 Account*. For additional background on trade promotion authorized through the farm bill, see CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*.

<sup>98</sup> For background on the implementation of MFP in 2018 and 2019, see CRS Report R45310, *Farm Policy: USDA's 2018 Trade Aid Package*; CRS Report R45865, *Farm Policy: USDA's 2019 Trade Aid Package*; and CRS In Focus IF11289, *Farm Policy: Comparison of 2018 and 2019 Market Facilitation Programs*.

**Table 10. Funds Available and Program Outlays for USDA Programs Responding to Retaliatory Tariffs**

In Millions of Dollars

Program	Funds Available	Program Outlays
<b>USDA trade assistance announced in 2018</b>		
Market Facilitation Program	\$10,600	\$8,617
Food Purchase and Distribution Program	\$1,200	\$1,100
Agricultural Trade Promotion Program	\$200	\$200
<b>2018 subtotal</b>	<b>\$12,000</b>	<b>\$9,917</b>
<b>USDA trade assistance announced in 2019</b>		
Market Facilitation Program	\$14,500	\$14,368
Food Purchase and Distribution Program	\$1,400	\$1,264
Agricultural Trade Promotion Program	\$100	\$100
<b>2019 subtotal</b>	<b>\$16,000</b>	<b>\$15,732</b>
<b>Grand total</b>	<b>\$28,000</b>	<b>\$25,650</b>

**Sources:** Compiled by CRS using USDA, “USDA Assists Farmers Impacted by Unjustified Retaliation,” press release, July 24, 2018, <https://www.usda.gov/about-usda/news/press-releases/2018/07/24/usda-assists-farmers-impacted-unjustified-retaliation>; USDA, “USDA Announces Details of Assistance for Farmers Impacted by Unjustified Retaliation,” press release, August 27, 2018; USDA, “USDA Launches Second Round of Trade Mitigation Payments,” press release, December 17, 2018; USDA, “USDA Announces Details of Support Package for Farmers,” press release, July 25, 2019; USDA, *USDA Explanatory Notes – Agricultural Marketing Service, 2022*; USDA, Agriculture Marketing Service, “Food Purchase and Distribution Program,” <https://www.ams.usda.gov/selling-food-to-usda/trade-mitigation-programs>; USDA, Office of Inspector General, *Oversight of the Agricultural Trade Promotion Program*, Audit Report 07601-0001-24, August 2022; and Government Accountability Office (GAO), *USDA Market Facilitation Program: Oversight of Further Supplemental Assistance for Farmers Could Be Improved*, GAO-22-104259, February 2022.

**Note:** Values in the “program outlays” column do not sum to total shown because of rounding applied by CRS.

## How Were Market Facilitation Program Funds Distributed?

USDA allocated \$25.1 billion for the Market Facilitation Program (MFP) and outlaid approximately \$23.0 billion in MFP payments. According to GAO, USDA distributed 2018 MFP payments to 582,596 farms (excluding farms in Puerto Rico) and 2019 MFP payments to 643,965 farms (including farms in Puerto Rico).<sup>99</sup> The average 2018 MFP payment per farm was \$14,791 in 2018 and the average 2019 MFP payment per farm was \$22,312. In each year, payments varied across farms depending on the commodities produced on the farm, the way 2018 and 2019 MFP payments were structured, and other factors.

MFP payments were available to producers of certain crops and livestock commodities. Eligible livestock commodities for 2018 and 2019 MFP payments included dairy and hogs. Eligible crops varied for 2018 and 2019 MFP, with more commodities of each type eligible for 2019 MFP payments compared to those eligible for 2018 MFP payments. In each year, more than 90% of

<sup>99</sup> GAO, *USDA Market Facilitation Program: Oversight of Further Supplemental Assistance for Farmers Could Be Improved*, GAO-22-104259, January 2022. GAO’s report does not discuss 2018 payments to farmers in the U.S. territories in 2018 or 2019 payments to farmers in the U.S. territories excluding Puerto Rico.

MFP payments were distributed to producers of non-specialty crops (**Table 11**).<sup>100</sup> Livestock commodities received about 4% of total MFP payments each year, and specialty crops received about 1% of 2018 MFP payments and 2% of 2019 MFP payments.

**Table 11. Distribution of Market Facilitation Program Payments, by Commodity Type**  
In Millions of Dollars

Commodity Type	2018 MFP Payments	2019 MFP Payments	Total
Non-specialty crops	\$8,194	\$13,529	\$21,723
Livestock commodities	\$351	\$566	\$917
Specialty crops	\$72	\$274	\$346
<b>Total</b>	<b>\$8,617</b>	<b>\$14,368</b>	<b>\$22,986</b>

**Source:** CRS calculations using GAO, *USDA Market Facilitation Program: Oversight of Further Supplemental Assistance for Farmers Could Be Improved*, GAO-22-104259, January 2022.

**Notes:** MFP = Market Facilitation Program. Non-specialty crops eligible for 2018 MFP payments were corn, cotton, sorghum, soybeans, and wheat. Non-specialty crops eligible for 2019 MFP payments were alfalfa hay, barley, canola, chickpeas (large and small), corn, cotton (extra long staple and upland), crambe, dried beans, dry peas, flaxseed, lentils, millet, mustard seed, oats, peanuts, rapeseed, rice (long grain, medium grain, and temperate japonica), rye, safflower, sesame seed, sorghum, soybeans, sunflower seed, triticale, and wheat. Livestock commodities eligible for 2018 and 2019 MFP payments were hogs and dairy. Specialty crops eligible for 2018 MFP payments were shelled almonds and fresh sweet cherries. Specialty crops eligible for 2019 MFP payments were almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts.

In 2018, MFP made payments separately for each commodity.<sup>101</sup> According USDA, about 82% of 2018 MFP payments were for soybeans, 6% for cotton, and 3% each for sorghum and wheat (**Table 12**). Corn, dairy, and hogs each received about 2% of total payments. Fresh sweet cherries and shelled almonds each received less than 1% of total payments.

**Table 12. Distribution of 2018 Market Facilitation Program Payments**

Commodity	Payment (in \$ million)	Share of Total
Corn	\$133.52	2%
Cotton	\$484.08	6%
Dairy	\$182.35	2%
Fresh sweet cherries	\$42.69	< 1%
Hogs	\$155.59	2%
Shelled almonds	\$21.92	< 1%

<sup>100</sup> Statute defines specialty crops as fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture) (7 U.S.C. §1621 note). For additional background on specialty crops, see CRS In Focus IF11317, *2018 Farm Bill Primer: Specialty Crops and Organic Agriculture*; and CRS In Focus IF12017, *Farm Bill Primer: Horticulture Title and Related Provisions*.

<sup>101</sup> In 2018, the Market Facilitation Program (MFP) had payment limits of \$125,000 for non-specialty crops, \$125,000 for specialty crops, and \$125,000 for animal products (dairy and hogs). The maximum possible payment for a producer of all three types of commodities was \$375,000. Eligibility for 2018 MFP was restricted to (1) applicants whose average adjusted gross income (AGI) was less than \$900,000 and (2) applicants whose AGI exceeded \$900,000 and at least 75% of the AGI was derived from farming, ranching, or forestry-related activities.

Commodity	Payment (in \$ million)	Share of Total
Sorghum	\$244.56	3%
Soybeans	\$7,069.34	82%
Wheat	\$241.62	3%
<b>Total</b>	<b>\$8,575.65</b>	<b>100%</b>

**Source:** CRS calculations using USDA Report to House and Senate Committees on Appropriations and Agriculture, October 31, 2019.

**Notes:** USDA reported outlays for 2018 Market Facilitation Program (MFP) payments of approximately \$8.576 billion as of October 31, 2019. As of January 2022, program outlays were \$8.617 billion. Equivalent data by commodity for the 2019 MFP are not available.

For 2019 MFP for non-specialty crops, USDA made payments separately by county. All non-specialty crops within a county received a common payment rate that varied across counties from \$15 per acre to \$150 per acre. Payments for non-specialty crops were capped at \$250,000.<sup>102</sup>

According to GAO, USDA chose to change its payment calculations to avoid distorting farmers' planting decisions in 2019.<sup>103</sup> County-specific payment rates meant that compensation for the same commodity varied by county. For example, GAO found that corn producers in the Midwest received \$61 per acre on average, while corn producers in the South received \$69 per acre on average. GAO concluded that USDA's use of the new methodology resulted in 2019 MFP payments that exceeded USDA's estimated trade damages for corn and were less than USDA's estimated trade damages for soybeans, sorghum, and cotton.<sup>104</sup>

For specialty crops, dairy, and livestock, USDA calculated 2019 MFP payments by commodity, similar to its 2018 method. Maximum payments were capped at \$250,000 total for all specialty crops and \$250,000 total for dairy and hogs. GAO concluded that USDA's use of a single payment rate for tree nuts resulted in 2019 MFP payments that exceeded USDA's estimated trade damages for almonds and pecans and were less than USDA's estimated trade damages for hazelnuts, macadamia nuts, pistachios, and walnuts.<sup>105</sup>

## How Were Food Purchase and Distribution Program Funds Distributed?

USDA allocated \$2.6 billion for the Food Purchase and Distribution Program (FPDP) and outlaid more than \$2.3 billion on purchased commodities. Approximately 136 vendors were awarded

<sup>102</sup> In 2019, MFP had payment limits of \$250,000 for non-specialty crops, \$250,000 for specialty crops, and \$250,000 for animal products (dairy and hogs). The maximum possible payment for a producer of all three types of commodities was \$750,000. Eligibility for 2019 MFP was restricted to (1) applicants whose average AGI was less than \$900,000 and (2) applicants whose AGI exceeded \$900,000 and at least 75% of the AGI was derived from farming, ranching, or forestry-related activities.

<sup>103</sup> GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*.

<sup>104</sup> GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*.

<sup>105</sup> GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*.

contracts under 2018 FPDP.<sup>106</sup> USDA has not released the number of vendors awarded contracts for 2019 FPDP.

Most of the commodities purchased were distributed to states for further distribution to food banks and food pantries that participate in The Emergency Food Assistance Program.<sup>107</sup> Other recipients eligible to receive FPDP commodities included states, for use in the Commodity Supplemental Foods Program; tribes that operate the Food Distribution Program on Indian reservations; and the National School Lunch Program.<sup>108</sup> Additionally, if domestic feeding programs were unable to use commodities purchased through FPDP, USDA had the option to distribute surplus commodities to approved nonprofit entities for distribution to low-income individuals.<sup>109</sup>

Data on actual FPDP purchases in 2018 or 2019 are not available. USDA announced targets for FPDP purchases in 2018 and 2019 (**Table 13**). The selection of targeted commodities varied in 2018 and 2019. In some instances, USDA targeted FPDP purchases of commodities that were also eligible for MFP payments. For example, FPDP targeted \$919.70 million worth of dairy products and pork in 2018 and 2019. Producers of milk and hogs also received \$917 million in 2018 MFP and 2019 MFP payments (**Table 11**). USDA ceased targeting FPDP purchases for some commodities that were also made eligible for MFP payments in 2019. USDA targeted 12 commodities—cranberries, grapes, hazelnuts, kidney beans, lentils, macadamia nuts, navy beans, peas, pecans, pistachios, rice, and walnuts—for 2018 FPDP purchases but not for 2019 FPDP purchases; these commodities were ineligible for 2018 MFP payments and eligible for 2019 MFP payments. USDA has not provided data that would allow for comparison of the amount of support provided from FPDP and MFP separately for each these commodities. Total FPDP targeted purchases for specialty crops were \$390.42 million in 2018 and \$282.60 million in 2019 (\$673.02 million total). Total 2018 MFP and 2019 MFP payments for specialty crops were \$346 million (**Table 11**).

**Table 13. Food Purchase and Distribution Program Targeted Commodities, 2018 and 2019**

In Millions of Dollars

Commodity	2018 Targeted Purchases	2019 Targeted Purchases	Total
Apples	\$93.40	\$88.00	\$181.40
Apricots	\$0.20	\$0.10	\$0.30
Beef	\$14.80	\$151.00	\$165.80
Blueberries	\$1.70	\$5.00	\$6.70
Citrus	\$83.70	\$104.00	\$187.70
Cranberries	\$32.80	\$0.00	\$32.80
Dairy products	\$84.90	\$68.00	\$152.90

<sup>106</sup> USDA, “Report to House and Senate Committees on Appropriations and Agriculture,” October 31, 2019.

<sup>107</sup> USDA, Agricultural Marketing Service, “Food Purchase and Distribution Program,” <https://www.ams.usda.gov/selling-food-to-usda/trade-mitigation-programs>.

<sup>108</sup> USDA, “USDA Announces Details of Support Packaged for Farmers,” press release, July 25, 2019.

<sup>109</sup> On July 29, 2019, USDA published a final rule creating the Expanded Domestic Commodity Donation Program, which allowed for disposal of surplus commodities acquired as part of USDA’s trade mitigation response to outlets not currently used in existing USDA Food and Nutrition Service programs.

Commodity	2018 Targeted Purchases	2019 Targeted Purchases	Total
Figs	\$0.02	\$0.10	\$0.12
Grapes	\$48.20	\$0.00	\$48.20
Hazelnuts	\$2.10	\$0.00	\$2.10
Kidney beans	\$14.20	\$0.00	\$14.20
Lamb	\$0.00	\$17.00	\$17.00
Lentils	\$1.80	\$0.00	\$1.80
Macadamia nuts	\$7.70	\$0.00	\$7.70
Navy beans	\$18.00	\$0.00	\$18.00
Onions	\$0.00	\$0.40	\$0.40
Peanut butter	\$12.30	\$0.00	\$12.30
Pears	\$1.40	\$4.00	\$5.40
Peas	\$11.80	\$0.00	\$11.80
Pecans	\$16.00	\$0.00	\$16.00
Pistachios	\$85.20	\$0.00	\$85.20
Plums/prunes	\$18.70	\$22.00	\$40.70
Pork	\$558.80	\$208.00	\$766.80
Potatoes	\$44.50	\$22.00	\$66.50
Poultry	\$0.00	\$432.00	\$432.00
Processed foods	\$0.00	\$200.00	\$200.00
Raisins	\$0.00	\$24.00	\$24.00
Rice	\$48.10	\$0.00	\$48.10
Strawberries	\$1.50	\$2.00	\$3.50
Sweet corn	\$2.40	\$11.00	\$13.40
Walnuts	\$34.60	\$0.00	\$34.60
<b>Total</b>	<b>\$1,238.82</b>	<b>\$1,358.60</b>	<b>\$2,597.42</b>

**Source:** CRS calculations using USDA, “USDA Announces Details of Assistance for Farmers Impacted by Unjustified Retaliation,” press release, August 27, 2018; and USDA, “USDA Announces Details of Support Packaged for Farmers,” press release, July 25, 2019.

**Notes:** Citrus includes grapefruit, lemons, limes, oranges, and orange juice. Processed foods include canned tomatoes, pasta, prepared cereals, soups and broths, tomato sauces, and other products. Cranberries, grapes, hazelnuts, kidney beans, lentils, macadamia nuts, navy beans, peas, pecans, pistachios, rice, and walnuts were purchased in 2018 but were not eligible in 2019.

USDA administered FPDP under the rules of USDA’s Commodity Procurement Program and required commodities supplied to be sourced from American producers on American farms. For FPDP, the USDA Office of Inspector General (OIG) found no reportable issues related to the type and quantify of commodities purchased but did find reportable issues related to verifying the domestic origin of purchased commodities and other aspects of contract management.<sup>110</sup> In

<sup>110</sup> USDA, Office of Inspector General, *Food Purchase and Distribution Program*, Audit Report 01601-0003-41, August 2023.

response to a congressional directive, USDA noted that six vendors awarded contracts under 2018 FPDP had substantial foreign ownership but that the products purchased for the 2018 FPDP were “100 percent domestically produced and processed.”<sup>111</sup> In 2018, the six foreign-owned vendors supplied approximately \$459 million in pork, \$107 million in potatoes, \$1.8 million in blueberries, and \$1.4 million in strawberries.

## **How Were Agricultural Trade Promotion Program Funds Distributed?**

USDA allocated \$300 million for the Agricultural Trade Promotion Program (ATP) and spent \$300 million on trade promotion activities. ATP provided cost-share funds to 59 organizations that support activities to develop new markets for U.S. agricultural and agriculture-related products (e.g., forestry and seafood products).<sup>112</sup> ATP-eligible activities included consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. ATP participants were required to contribute 10% for generic promotion activities and 50% for branded promotion activities.<sup>113</sup>

ATP was similar to the Market Access Program (MAP) authorized through the farm bill, which receives annual appropriations of \$200 million.<sup>114</sup> Using results from prior analyses of MAP, an academic study estimated that these additional ATP funds could expand U.S. agricultural exports by \$8.5 billion and U.S. farm sector cash receipts by \$4.8 billion.<sup>115</sup>

USDA OIG audited ATP in 2022. USDA OIG found that USDA awarded funding to applicants “who may not have been the most meritorious based on the announced criteria and program regulations.”<sup>116</sup> USDA OIG said they were “unable to attest to the merits of the 59 ATP grants awarded [by USDA Foreign Agricultural Service] in fiscal year (FY) 2019, totaling \$300 million.”

## **How Have Agricultural Stakeholders and Oversight Agencies Assessed USDA's Response to Retaliatory Tariffs Imposed in 2018 and 2019?**

USDA's ad hoc programs in response to retaliatory tariffs on U.S. agricultural products provided support to the agricultural sector with the goals of increasing farm incomes, increasing domestic

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<sup>111</sup> USDA, “Report to House and Senate Committees on Appropriations and Agriculture,” October 31, 2019, p. 15. Section 119 of the Continuing Appropriations Act, 2020, and Health Extenders Act of 2019 (P.L. 116-59) required the Secretary of Agriculture to provide an accounting of commodity purchases from substantially foreign-owned companies or their subsidiaries, among other provisions.

<sup>112</sup> For a list of Agricultural Trade Promotion Program (ATP) awardees, see USDA, FAS, “ATP Funding Allocations,” <https://www.fas.usda.gov/programs/agricultural-trade-promotion-program-atp/atp-funding-allocations>.

<sup>113</sup> USDA, Commodity Credit Corporation, “Agricultural Trade Promotion Program,” 83 *Federal Register* 4417, August 30, 2018.

<sup>114</sup> For additional background on farm-bill-funded trade promotion programs, see CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*.

<sup>115</sup> Gary Williams, “The Overlooked Agricultural Trade Promotion Program of the USDA Trade Aid Packages,” *Choices* (Quarter 4, 2019).

<sup>116</sup> USDA Office of Inspector General, *Oversight of the Agricultural Trade Promotion Program*, Audit Report 07601-0001-24, August 2022, <https://usdaoig.oversight.gov/sites/default/files/reports/2024-11/07601000124FRredactedpublic.pdf>.

prices through purchases of agricultural commodities, and diversifying export markets. Farmers reported that MFP helped them manage cash flow on their operations.<sup>117</sup>

In response to congressional requests, GAO published analyses of MFP in 2020, 2021, and 2022.<sup>118</sup> In their 2021 analysis, GAO found that USDA OCE's 2018 estimates of economic losses "used a justifiable baseline" to model what trade would have been in the absence of retaliatory tariffs. GAO also found that USDA OCE's 2019 estimates of economic losses "used baselines that did not best represent what trade would be absent the retaliatory tariffs, and that increased trade damage estimates."<sup>119</sup> GAO also found that USDA's methodology for calculating 2019 MFP payments "addressed some limitations of its 2018 methodology but resulted in (1) producers of the same nonspecialty crop (such as corn and soybeans) being paid differently in different counties, and (2) total payments for a nonspecialty crop different from USDA's estimate of trade damage to the crop."

In their response to GAO's 2021 analysis, USDA OCE stated that

[t]he draft report's finding that the 2019 baseline is not representative and increased trade damage estimates does not take into account that the decision on what is the appropriate baseline depends on the policy goals and that there is not one single most representative baseline. OCE provided alternatives that reflected different options based on the direction of senior USDA decision makers under the previous administration and selection of the baseline was part of the program design and not made by OCE.<sup>120</sup>

USDA OCE also noted that their 2018 and 2019 economic analyses adhered to departmental and Office of Management and Budget requirements for economic analyses.

In their 2022 analysis, GAO found that USDA's compliance methodology for MFP was not designed to identify high-risk payments for auditing.<sup>121</sup> GAO noted that USDA conducted multiple compliance reviews for MFP eligibility requirements and that the reviews identified significant improper payments in 2018 and 2019. GAO found that the review of 2018 MFP payments was "limited in its usefulness for several reasons" and that USDA discontinued its review of 2019 MFP payments because of competing agency priorities.

USDA OIG audited FPDP in 2023. USDA OIG found no reportable issues related to the type and quantity of commodities purchased but did find reportable issues related to verifying the domestic origin of purchased commodities and other aspects of contract management.<sup>122</sup>

USDA OIG audited ATP in 2022. USDA OIG found that USDA awarded funding to applicants "who may not have been the most meritorious based on the announced criteria and program

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<sup>117</sup> See, for example, witness testimony provided to the House Committee on Agriculture Subcommittee on Livestock and Foreign Agriculture during the hearing "U.S. Agricultural Trade: Stakeholder Perspectives" on March 10, 2020, [https://democrats-agriculture.house.gov/uploadedfiles/116-33\\_-\\_42601.pdf](https://democrats-agriculture.house.gov/uploadedfiles/116-33_-_42601.pdf).

<sup>118</sup> GAO, *USDA Market Facilitation Program: Information on Payments for 2019*, GAO-20-700R, August 2020; GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*; and GAO, GAO-22-104259, *USDA Market Facilitation Program: Oversight of Further Supplemental Assistance for Farmers Could Be Improved*, January 2022.

<sup>119</sup> GAO, *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*.

<sup>120</sup> GAO, "Appendix VIII: Comments from the Department of Agriculture," *USDA Market Facilitation Program: Stronger Adherence to Quality Guidelines Would Improve Future Economic Analyses*, p. 86.

<sup>121</sup> GAO, GAO-22-104259, *USDA Market Facilitation Program: Oversight of Further Supplemental Assistance for Farmers Could Be Improved*, January 2022.

<sup>122</sup> USDA, Office of Inspector General, *Food Purchase and Distribution Program*, Audit Report 01601-0003-41, August 2023.

regulations.”<sup>123</sup> USDA OIG said they were “unable to attest to the merits of the 59 ATP grants awarded by [USDA Foreign Agricultural Service] in fiscal year (FY) 2019, totaling \$300 million.”

## For More Information

Congressional staff seeking additional information on any of the key terms, concepts, and answers to the FAQs in this report may contact the authors and/or refer to CRS reports on trade authorities, agricultural trade, and farm support in general, which have been identified in the relevant sections above.

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<sup>123</sup> USDA, Office of Inspector General, *Oversight of the Agricultural Trade Promotion Program*, Audit Report 07601-0001-24, August, 2022.

## ***IEEPA Tariffs Challenged in Supreme Court ([published 10.16.25](#))***

### **Introduction**

On August 29, a federal appeals court [ruled](#) that the International Emergency Economic Powers Act (IEEPA) does not provide the Trump Administration authority to impose retaliatory tariffs. In its ruling, the appeals court held that President Trump exceeded the authority granted by the IEEPA when he signed five Executive Orders imposing tariffs on “nearly all goods from nearly every country in the world.” The court’s ruling permitted the Trump Administration to appeal the judgment to the United States Supreme Court, which agreed to hear arguments during the first week of November. Trump is the first and only President to rely on the IEEPA to implement tariffs, so this case will cover new ground. With the challenged tariffs playing a large role in international trade, the outcome of this case will certainly impact U.S. agricultural markets. This article will discuss the background of the case, the decision of the appeals court, and what comes next.

### **Background**

The IEEPA was established in 1977 to grant the President the authority to exercise a variety of economic powers in response to a declared national emergency, while also limiting other economic powers granted to the President by earlier statutes like the Trading with the Enemy Act (TWEA). Functionally, the IEEPA allows the President to “investigate, regulate, or prohibit any transactions in foreign exchange.” [50 U.S.C. §1702\(a\) \(1977\)](#). However, the President’s authority under the IEEPA is available only “to deal with any unusual and extraordinary threat . . . if the President declares a national emergency with respect to such threat.” [50 U.S.C. §1701\(a\) \(1977\)](#).

In January of this year, President Trump [declared](#) a national emergency at the U.S.- Mexico Border, citing national security concerns. This national emergency was later expanded to include Canada and China. Executive Orders Nos. [14193](#), [14194](#), [14195](#), [14257](#), and [14266](#) imposed tariffs on Mexico, Canada, and China in response to these national emergencies. The tariffs instituted by these executive orders are referred to in the court’s opinion as the “Trafficking and Reciprocal Tariffs.” The Trump Administration cited the President’s IEEPA authority to regulate foreign trade in the event of a national emergency as the legal basis for instituting the tariffs. At issue in ***V.O.S. Selections, Inc. v. Trump, No. 2025-1812 (Fed. Cir. 2025)***, are the five Executive Orders issued by President Trump to impose trade duties on foreign trading partners.

### **The Case**

On April 14, 2025, a group of five businesses [filed suit](#) in the Court of International Trade (CIT), challenging the reciprocal tariffs instituted by President Trump following the declared national emergency. In the complaint, the plaintiffs alleged that the IEEPA did not grant President Trump the authority to levy the challenged tariffs. The complaint asserted that the authority to impose tariffs, “must be granted clearly and unmistakably” and not “through some implication so vague and indeterminate that it went unnoticed by every other President for nearly five decades.”

The plaintiffs additionally claimed that even if the IEEPA did confer this authority to the President, then it is an unconstitutional delegation of legislative authority. On this point, the plaintiffs alleged that interpreting the IEEPA as allowing the challenged tariffs would constitute a “sweeping delegation of legislative power.” According to the complaint, this “sweeping delegation” would violate the nondelegation doctrine, which exists to prevent Congress from giving its legislative power to entities not vested with such authority under the Constitution. At the CIT, the court [held](#) that the IEEPA did not authorize these tariffs and that the challenged orders would be permanently enjoined. Because the CIT found that the IEEPA did not authorize the tariffs, the CIT did not address whether it was an unconstitutional delegation of authority. The government appealed that decision to the U.S. Court of Appeals for the Federal Circuit.

On appeal, the court limited its discussion to “whether the Trafficking and Reciprocal Tariffs imposed by the Challenged Executive Orders are authorized by IEEPA.” The court [held](#) that they were not. In reaching this conclusion, the appeals court relied on the text of the IEEPA, the IEEPA’s history, and similar trade statutes. The court held that the IEEPA’s authority, which permits the President to “regulate . . . importation,” does not include the ability to impose sweeping tariffs. The court noted that the IEEPA does not include the word “tariff” or any of its synonyms like “tax” or “duty.” However, in a variety of other statutes that do confer tariff authority on the President, Congress has used “clear and precise terms to delegate tariff power.”

The court reasoned that the history and purpose of the IEEPA conflicted with President Trump’s tariffs. The court pointed out that since the IEEPA was enacted, “not once before has a President asserted his authority . . . to impose tariffs.” The court noted that the IEEPA was specifically enacted to “cabin the President’s authority” and further reasoned that, “it seems unlikely that Congress intended, in enacting IEEPA, to depart from its past practice and grant the President unlimited authority to impose tariffs.” This, coupled with the explicit grants of authority found in similar statutes, led the court to conclude that, “whenever Congress intends to delegate to the President the authority to impose tariffs, it does so

explicitly.” Because the court found that IEEPA did not authorize these tariffs, the court did not address whether IEEPA violated the nondelegation doctrine.

## **Moving Forward**

Despite finding that the IEEPA did not authorize the tariffs implemented by President Trump, the appeals court declined to affirm the CIT’s decision to overturn and block the challenged tariffs. For now, the challenged tariffs will stand. In reaching this decision, the court relied on **Trump v. CASA, Inc., 606 U.S. 831 (2025)**. There, the Supreme Court **held** that the injunctions sought were “broader than necessary to provide complete relief to each plaintiff with standing to sue.” Rather than granting the injunction, the Supreme Court in **CASA** instructed the lower courts to “move expeditiously to ensure that, with respect to each plaintiff, the injunctions comport with this rule and otherwise comply with principles of equity.”

The appeals court here took the same approach. On sending the decision back to the CIT for further review, the appeals court instructed the CIT to “consider in the first instance whether its grant of a universal injunction comports with the standards outlined by the Supreme Court in *CASA*.” This refusal to grant the injunctions have preserved the tariffs and will allow the Trump Administration to continue collecting tariff revenue for the time being. The government has appealed the CIT’s decision to the Supreme Court, which decided to hear the case.

At the Supreme Court, **two questions** have been presented for review. First, whether the IEEPA allows a President to institute tariffs after declaring a national emergency. Second, if IEEPA authorizes the tariffs, whether the statute unconstitutionally delegates legislative authority to the President, a question that was left unanswered in the lower courts. The Trump Administration has urged the Supreme Court to hear the case and issue a decision quickly. In a document published on September 9, the Supreme Court **granted** a motion to expedite the case and set oral arguments for November 5, 2025.

The Supreme Court’s decision will have major political and economic implications, regardless of the outcome. Siding with the President would likely allow further tariffs to be enacted under the IEEPA and would expand the statute’s authority for future administrations. Siding with the plaintiffs would likely result in the challenged tariffs being completely vacated. Given the impacts of the tariffs so far, this option would have a major effect on the U.S. economy. A final decision is not likely to come soon, but the outcome of this case will have major implications for the U.S. agriculture industry.

## **Overview of Recent Ag Trade Announcements ([published 11.20.25](#))**

### **Background**

Following President Trump's three-leg journey across Asia in October of 2025, the White House has released details of new trade agreements that seek to increase U.S. agricultural exports. Additionally, agreements executed earlier this year with the United Kingdom (U.K.) and the European Union (E.U.) mark a similar attempt to increase exports to various European nations. This article will briefly discuss the details of the various trade developments announced by the White House throughout 2025.

### **Mutual Responsibilities & Consequences**

It is important to note that the trade deals discussed below are still preliminary and in some cases are merely agreed upon "frameworks" meant to guide negotiations as they progress. As a result, they are not (and are not yet intended to be) binding on either country. Given the unpredictability of international trade, the final agreements could potentially vary greatly from these initial framework agreements, depending on future negotiations.

[Article I](#) of the Constitution gives Congress the exclusive power to "regulate commerce with foreign nations." In the past, when the President exercised their power to negotiate trade agreements, they were considered "congressional-executive agreements" and would ultimately require Congress' approval under trade promotion authority (TPA) enacted by Congress. However, the [most recent TPA authority](#) expired in 2021, creating uncertainty in whether foreign trade agreements would require congressional authorization. For example, when President Biden executed the Indo-Pacific Economic Framework for Prosperity (IPEF), no agreements under this trade deal were submitted to Congress for approval.

With the expiration of the TPA, it is unclear whether President Trump's "framework agreements" will require Congressional approval, creating yet another area of uncertainty in the future of these agreements. The Congressional Research Service has recently published a [report](#) that may be helpful for more information on the interplay between executive and legislative authority.

### **China**

Following a meeting in South Korea between President Trump and Chinese President Xi Jinping, the White House published details of a new trade deal agreed upon by the U.S. and China. In a [fact sheet](#) recently published on the White House website, the trade deal is referred to as a "historic agreement" that will "open China's market to U.S. soybeans and other agricultural exports." The trade deal stipulates that China will suspend its retaliatory

tariffs implemented throughout 2025. These include tariffs on U.S. chicken, wheat, corn, cotton, sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables, and dairy products. Further, China has agreed to purchase at least 12 million metric tons of U.S. soybeans during the final two months of 2025. China has also committed to purchase at least 25 million metric tons of U.S. soybeans in 2026, 2027, and 2028. Finally, China has agreed to resume purchasing U.S. sorghum, hardwood, and softwood logs.

China is a major purchaser of U.S. soy, so this can have a significant impact on production and market values. For example, in 2024 China purchased 26.81 million metric tons of U.S. soybeans. Between January and May of 2025, before trade tensions escalated, figures [indicate](#) China had imported 6 million metric tons of U.S. Soybeans. It has been [reported](#) by the USDA that since the summit in South Korea, China has purchased 792,000 metric tons of U.S. soybeans.

As of the time of writing, China [has not](#) publicly issued a confirmation of its commitment to purchase the specified amounts of U.S. soybeans. However, in regards to some other components of the deal, China has [confirmed](#) its suspension of its retaliatory tariffs on U.S. imports. It will, however, leave in place a 13% tariff on imported U.S. soybeans.

## **Japan**

During the trip to Asia, President Trump met with Japan's Prime Minister Sanae Takaichi to reconfirm the Framework Agreement entered by the U.S. and Japan on July 22, 2025. The framework contained provisions intended to bolster agricultural trade between the U.S. and Japan. Details of this agreement were outlined in an [Executive Order](#) signed by President Trump on September 4, 2025, titled "Implementing the United States-Japan Agreement." The Executive Order states that Japan will be "working toward an expedited implementation of a 75 percent increase of United States rice procurements within the Minimum Access rice scheme." Additionally, Japan will be investing \$8 billion per year towards "purchases of United States agricultural goods, including corn, soybeans, fertilizer, bioethanol (including for sustainable aviation fuel)." Japan has reconfirmed its commitments in a recently published [Joint Statement](#) between Japan and the U.S..

## **The United Kingdom**

On May 8, 2025 President Trump and Prime Minister Keir Starmer [announced](#) the U.S.-UK Economic Prosperity Deal (EPD). Per the [general terms](#) of this agreement, the United Kingdom will be removing its 20% tariff on U.S. beef exports, which currently impacts beef exports within a quota of 1,000 metric tons. The U.K. has also agreed to create a preferential duty-free quota of 13,000 metric tons for U.S. beef. A preferential-duty free agreement is a form of trade agreement that allows products to be imported with reduced

import costs and fees. The trade deal between the U.S. and the U.K. also stipulates that the two nations will “commit to working together to improve market access for agricultural products.” However, the trade deal does not go into detail on how exactly market access will be improved. An [update](#) recently published by the U.K. government states, “We will execute the legislative process to create a preferential duty-free quota for US beef of 13,000 metric tonnes (MT) per calendar year.” Similar to the above agreements, at this point this is a voluntary and mutual decision, rather than a binding legal commitment.

## **The E.U.**

On July 27, 2025, President Trump [announced](#) a new “Framework Agreement” with the E.U.. The [Framework Agreement](#) stipulates that the E.U. provide preferential market access for U.S. agricultural goods including tree nuts, dairy products, fresh and processed fruits and vegetables, processed foods, planting seeds, soybean oil, and pork and bison meat. Like the agreement with the U.K., this trade deal states that the E.U. and U.S. “commit to work together to address non-tariff barriers affecting trade in food and agricultural products” which includes “streamlining requirements for sanitary certificates for pork and dairy products.” In a [Joint Statement](#) between the U.S. and the E.U., the Framework Agreement is referred to as “a first step in a process that can be further expanded over time to cover additional areas and continue to improve market access and increase their trade and investment relationship.”

## **Malaysia**

On October 26, 2025, the U.S. and Malaysia executed the “[Agreement on Reciprocal Trade](#).” According to a [fact sheet](#) published by the Office of the U.S. Trade Representative, Malaysia has committed to provide significant preferential market access for U.S. agricultural products. This includes dairy, horticultural products, poultry, pork, rice, and fuel ethanol. Malaysia has also committed to address “non-tariff” barriers to U.S. agricultural exports. To accomplish this, Malaysia has pledged to: (1) recognize the U.S. food safety system for U.S. meat, poultry, and dairy products; (2) streamline halal certification of U.S. food and agricultural products; (3) open market access for U.S. sorghum; and (4) adopt regionalization approaches to facilitate U.S. exports of pork and poultry. Malaysia has confirmed these commitments via a [Joint Statement](#) between the U.S. and Malaysia. According to that joint statement, the two nations will “undertake domestic formalities in advance of the Agreement entering into force.” The agreement is additionally confirmed in a [post](#) by the National Trade Promotion Agency of Malaysia, which claims the agreement “strengthens regulatory certainty and supply-chain resilience through deeper cooperation in trade facilitation.”

## **Cambodia**

On the same day that the Malaysia agreement was formalized, a [new trade agreement](#) with Cambodia was also announced. Under this agreement, Cambodia has agreed to eliminate tariffs on all U.S. food and agricultural product imports. Further, the agreement contains language indicating Cambodia's intent to promote the importation of U.S. agricultural products. Specifically, Cambodia says it will recognize U.S. regulatory oversight, U.S. sanitary and phytosanitary measures, and accept certificates issued by U.S. regulatory authorities for food and agricultural products. U.S. [sanitary and phytosanitary measures](#) are a set of testing and inspection methods used to ensure the safety of agricultural products. This language in the trade agreement indicates that when importing U.S. agricultural products, Cambodia will defer to safety determinations already made by U.S. regulatory agencies. This, in theory, should reduce non-tariff barriers to trade between the U.S. and Cambodia. While this agreement is not yet finalized, the two countries [have committed](#) to “undertake domestic formalities” to make it so.

## **Ongoing Negotiations**

The negotiations discussed in this section are even more nebulous, as they are merely attempts to negotiate the terms of a potential agreement. However, they are still an indication that the following countries are at least at the negotiating table with the U.S.

Indonesia and the U.S. are still negotiating details of a trade deal that was first discussed in a [joint statement](#) issued on July 22, 2025. Per the joint statement, Indonesia would eliminate “approximately 99 percent” of tariff barriers currently placed on a “full range” of imported U.S. food and agricultural products. The proposed agreement also stipulates that the U.S. and Indonesia will cooperate to exempt U.S. food and agricultural products from all import licensing regimes, provide Fresh Food of Plant Origin designation for all applicable U.S. plant products, and to recognize listing of all U.S. meat, poultry, and dairy facilities. The joint statement provides that Indonesia will also accept certificates issued by U.S. regulatory authorities.

Further, the U.S. and Vietnam have announced a [framework](#) for a trade agreement, but are still in the process of finalizing details of a more comprehensive agreement. The framework states that Vietnam will provide preferential market access for “substantially all” U.S. agricultural exports to Vietnam.

On October 26, 2025, the White House posted a [joint statement](#) discussing an agreed-upon framework for a new trade deal between the U.S. and Thailand. The framework states that Thailand will eliminate tariff barriers on “approximately 99 percent of goods” covering a full range of U.S. food and agricultural products. Similar to other agreements, the U.S. and

Thailand trade deal would require Thailand to accept safety certifications of food and agricultural products issued by U.S. regulatory authorities. This joint statement also “takes note” of “the forthcoming commercial deals between U.S. and Thai companies” for the purchase of U.S. feed corn, soybean meal, and dried distiller grains with solubles at an estimated 2.6 billion dollars per year.

Finally, on November 14, 2025, the White House published a [fact sheet](#) outlining the framework for new U.S. trade deals with Switzerland and Liechtenstein. Negotiations are ongoing, but a recently published [press release](#) indicates that Switzerland and Liechtenstein have in fact signed a “non-binding memorandum of understanding” with the U.S. At this time, only the “non-binding memorandum of understanding” has been signed, so the specific details of the agreement have not been finalized and may be subject to change. Per the fact sheet, this new trade deal will “lock in the largest expansion ever of U.S. exporter access to Swiss markets, creating new opportunities for U.S. manufacturers, farmers, ranchers, fishermen, and other producers.” To accomplish this expansion, Switzerland and Liechtenstein will remove “a range of tariffs” on U.S. agriculture products including fresh and dried nuts, fish and seafood, and fruits. Additionally, Switzerland will establish tariff rate quotas for American poultry, beef, and bison. Finally, the fact sheet discusses Switzerland and Liechtenstein’s intent to address non-tariff barriers which have historically prevented certain U.S. goods from being imported. To remove these barriers, the nations will address “restrictive measures” on U.S. poultry and attempt to streamline requirements for U.S. dairy products.

## **Conclusion**

Trade relationships between countries are complicated. Until binding agreements are reached, negotiations may continue. While more time will be needed to determine the ultimate impact, the language recognizes the importance of international trade to U.S. agriculture and indicates an intent to improve exports of U.S. agricultural products.

## ***Supreme Court Vacates IEEPA Tariffs ([published 3.5.26](#))***

### **Introduction**

In January 2025, President Trump declared national emergencies at the U.S. borders, citing an influx of "poisonous fentanyl" and "the extraordinary threat posed by illegal aliens". According to the Trump Administration, these emergencies authorized the President to impose tariffs under the International Emergency Economic Powers Act (IEEPA). IEEPA grants the President authority to undertake specific economic actions in response to a national emergency. Using IEEPA, the Trump Administration imposed tariffs on Mexico, Canada, and China. These tariffs were challenged in federal courts and ultimately struck down by the Supreme Court on February 20, 2026, in [Learning Resources, Inc. v. Trump](#). To learn more about the IEEPA tariffs and the Court's decision, click [here](#).

Following that decision, certain questions remained unanswered. Will there be refunds for the IEEPA tariffs? How will those refunds be issued? Will the Trump Administration impose new tariffs, and if so, how? Recent developments have provided some clarity on these issues and what importers can expect moving forward. This article will discuss refunds, new tariffs implemented by the Trump Administration, and an investigation by the United States Trade Representative that could potentially lead to new tariffs.

### **Refunds & The CAPE System**

[Reportedly](#), approximately \$133.5 billion was collected on IEEPA tariffs by December 2025. With those tariffs now vacated by the Supreme Court, American importers are seeking refunds. Because the Court's decision did not mention refunds, importers were left uncertain about whether refunds would be issued. Recent developments at the Court of International Trade (CIT) have provided some clarity, but background is needed to understand those actions.

When a good that is subject to tariffs enters the United States, one of two collection processes applies: formal and informal entries. Formal entry is required when the value of imported goods exceeds \$2,500. In a formal entry, the importer must pay the estimated tariff rate and post a bond with Customs and Border Protection (CBP). CBP later calculates the final tariff rate. This is known as "liquidation." Under [federal law](#), liquidation must occur within one year of the entry. Informal entries generally do not require a bond and are considered liquidated once the importer pays the estimated tariffs.

Under the [Tariff Act of 1930](#), the Secretary of the Treasury is authorized to offer tariff refunds when "it is ascertained on liquidation or reliquidation . . . that more money has been deposited or

paid as duties than was required by law.” In those situations, refunds are [required](#) if the discrepancy exceeds \$20.00. Additionally, refunds may be mandated after a court orders reliquidation.

On March 4, 2026 the Court of International Trade (CIT) issued an [order](#) stating that, “all importers of record whose entries were subject to IEEPA duties are entitled to benefit from the *Learning Resources* decision.” To facilitate this, the CIT ordered that any liquidated entries “for which liquidation is not final” be reliquidated without regard to the IEEPA tariffs. Unliquidated entries were likewise ordered to be liquidated. In other words, the CIT ordered CBP to pretend as if the IEEPA tariffs never existed and begin issuing refunds. As discussed above, liquidation is a crucial step in the refund process, as it determines the amount owed by the importer.

On March 6, the CIT issued a subsequent [order](#) temporarily suspending CBP’s obligation to issue refunds, after CBP [indicated](#) it needed additional time to liquidate or reliquidate all entries. CBP asserted that the “volume of entries” made each year prevent it from being able to “affirmatively review and liquidate each entry.” CBP is still responsible for collecting and liquidating all non-IEEPA tariffs, which seems to have initially caused CBP to doubt its ability to comply with the CIT’s order. However, CBP then filed a [subsequent declaration](#) which outlined its plans to implement a new online system to process IEEPA refunds.

CBP plans to implement the Consolidated Administration and Processing of Entries (CAPE) claims portal. According to CBP, CAPE will be a web-based resource allowing importers and brokers to submit IEEPA refund requests. CAPE will use information submitted by importers to determine refund eligibility. If eligible, tariff rates will be liquidated or reliquidated “as if the IEEPA duties had never been declared.” After liquidation or reliquidation, CAPE will automatically issue refunds to eligible importers. It is important to note that CAPE is not yet finalized. Accordingly, CBP will be implementing a phased development of CAPE, with basic system functionality being activated first. To ensure eligibility for refunds, importers must first enroll in the Automated Clearing House (ACH) program. ACH is a system used by CBP to process and transmit electronic credit and debit transfers and will be used to distribute IEEPA refunds. For more information on the CAPE system, click [here](#).

Refunds have been a looming issue since the Court’s decision in *Learning Resources*. Given the amount collected under the IEEPA tariffs, many U.S. importers are likely seeking to recover refunds. When the Court did not address refunds in its opinion, those importers were left with uncertainty. However, with its introduction of the CAPE system, CBP has provided at least one potential avenue for producer refunds under IEEPA.

## **Section 122 Tariffs**

On February 20, 2026, President Trump [announced](#) a new 10% global tariff rate under [Section 122 of the Trade Act of 1974](#) (Section 122). The initial announcement came the same day the Supreme Court invalidated the IEEPA tariffs. Since its enactment, no tariffs had previously been implemented under Section 122. Because no tariffs have been imposed under Section 122 before, many importers may be unclear about Section 122's purpose and how it relates to the newly announced tariffs.

Section 122 was implemented to address “fundamental international payments problems.” More specifically, Section 122 allows the president to impose tariffs to: 1) deal with large and serious United States balance-of-payments deficits; 2) prevent an imminent and significant depreciation of the dollar in foreign exchange markets; or 3) cooperate with other countries in correcting an international balance-of-payments disequilibrium.

A balance-of-payments refers to a record detailing all transactions made between a country's entities and international trading partners. It includes a current account, a capital account, and a financial account. The current account tracks a nation's trade of goods and services, its earnings on foreign investments, and its foreign money transfers. The capital account covers transactions in foreign financial institutions and central bank reserves. The financial account records deposits, ownership of investment securities, and direct investment between U.S. residents and foreign entities. A balance-of-payments deficit means that the United States is sending more money out than it is taking in.

Unlike IEEPA, Section 122 explicitly grants the President authority to impose tariffs. However, Section 122 also places limitations on any tariffs enacted under its authority. To address one of the above-mentioned payments problems, the President may enact a temporary tariff. The tariff cannot exceed 150 days, unless approved by Congress. 19 U.S.C. § 2132(a)(3). The tariff rate may not exceed 15% *ad valorem*. An *ad valorem* tariff is calculated based on the total value of the goods, rather than their quantity or weight. In other words, the tariff may not exceed 15% of the total value of the imported goods. Section 122 requires that the tariff rate be applied “consistently with the principle of nondiscriminatory treatment.” 19 U.S.C. § 2132(d)(1). This means that the rate must generally apply equally to all countries. However, when a country has “large or persistent balance-of-payments surpluses,” the President may target them specifically.

Using the authority granted by Section 122, the Trump Administration announced a 10% *ad valorem* import duty on articles being imported into the United States. The administration asserts that the Section 122 tariffs are necessary to correct “a large and serious balance-of-payments deficit.” The announcement explains that the United States is currently in an overall account deficit and running a deficit in each component of the current account. To support this claim, the Trump Administration asserts that: 1) the annual U.S. goods trade deficit reached 40% during 2024; 2) the U.S. made less on exported capital and labor than other countries made by exporting capital

and labor to the U.S. and; 3) more money is currently being transferred out of the United States than is being transferred in. According to the announcement, these issues “endanger U.S. economic and national security.”

The announcement additionally lists certain exemptions from the Section 122 tariff rate. The exemptions include but are not limited to: certain critical minerals; natural resources unavailable in the United States; beef, tomatoes, and oranges; pharmaceuticals; certain electronics; certain aerospace products; and informational materials. Additionally, goods traded according to the agreement between the United States, Mexico, and Canada will be exempted. As discussed above, the Section 122 tariffs face a 150-day statutory-limit, which could potentially be extended by Congress. This means that the tariffs could at least be active until July 20, 2026.

The Section 122 tariffs have already faced legal challenges. A coalition of twenty-four states filed a [lawsuit](#) challenging the Section 122 tariffs on March 5, 2026. The suit, filed in the CIT, argues that Section 122 does not authorize the Trump Administration’s tariffs. The complaint argues that a trade deficit is not a balance-of-payments deficit, and therefore Section 122 does not apply. According to the states, the administration is “contorting” the term balance-of-payments and “cherry-picking only the negative components.” They argue that when foreign capital and financial investments into the United States are included, the actual balance-of-payments is only 0.2% of the United States’ gross domestic product, which the states characterize as “essentially a rounding error.” The states claim that Section 122 does not authorize tariffs based on a trade deficit and that the administration cannot “redefine” the term balance-of-payments to justify the Section 122 tariffs. The plaintiffs conclude by requesting the CIT to declare the Section 122 tariffs unlawful, vacate them, and order refunds of tariffs already collected.

Whether the Section 122 tariffs will survive this challenge remains to be seen. As of the time of writing, the tariffs have been in effect for just over a month, and many questions remain unanswered. Section 122 imposes a 150-day limit, but Congress could extend that period. Even if Congress were to extend the deadline, the tariffs could be overturned by the courts. Further, President Trump has [indicated](#) that the rate will be increased to 15%. Whether Section 122 authorized the recent tariffs is an issue for the federal courts to decide, which could take some time.

### **Potential Section 301 Tariffs**

On March 17, 2026, the Office of the United States Trade Representative (USTR) initiated an investigation of foreign countries under [Section 301 of the Trade Act of 1974](#) (Section 301). According to a USTR [press release](#), the investigation focuses on “acts, policies, and practices of various economies” related to structural excess capacity in manufacturing sectors. Structural excess capacity occurs when production capacity exceeds domestic and global demand. The USTR

claims that this excess capacity will lead to “overproduction and large or persistent trade surpluses, as well as underutilized and unused capacity, in manufacturing sectors.” According to the USTR, this poses “a serious challenge to U.S. efforts to re-shore supply chains and provide good-paying jobs for American workers.” While the USTR has explained why it launched the investigation, many may still be unclear about how Section 301 works and what could come next.

Section 301, at its core, is designed to address “unfair” foreign trade policies and enforce international trade agreements. Section 301 applies when the USTR determines that “the rights of the United States under any trade agreement are being denied.” Section 301 also applies when “an act, policy, or practice of a foreign country violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or is unjustifiable and burdens or restricts United States commerce.”

A Section 301 investigation can be initiated by the USTR itself or by a private party. Private parties must file a petition describing the unfair trade practice and how it is harming the U.S. economy. Once filed, the USTR has 45 days to decide whether to begin a formal investigation. The USTR must publish a notice in the Federal Register when self-initiating an investigation. The USTR is also required to seek public comment on proposed actions. For non-trade agreement investigations, a final determination will generally be issued 12 months after an investigation begins.

If the USTR finds through investigation that a country has violated a trade agreement or implemented an act, policy, or practice that is unjustifiable, Section 301 authorizes certain actions. Most notably, the USTR may impose tariffs. Under Section 301 the USTR is authorized to impose duties or “other import restrictions” on the goods of a foreign country for “such time as the Trade Representative determines appropriate.”

The USTR [announced](#) that it has self-initiated a Section 301 investigation. The USTR will investigate China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India for the above-mentioned structural excess capacity concerns. If the USTR determines that the policies or practices of the countries under investigation are actionable under Section 301, it may act under the statute, including imposing tariffs.

This is a broad investigation, and it will likely be some time before any official action is announced. However, any actions taken could have significant economic consequences. Individuals interested in submitting a public comment on the investigation may do so [here](#). The deadline to submit written comments is April 15, 2026.

## **Conclusion**

In the aftermath of the *Learning Resources* decision, many questions remained unanswered. However, some answers have emerged in the weeks since. While not finalized, the CAPE system may provide an avenue for importers seeking IEEPA refunds. Despite ongoing legal challenges, President Trump's Section 122 tariffs suggest that tariffs remain a central part of the administration's trade strategy. This is further reinforced by the USTR's decision to initiate a broad Section 301 investigation against U.S. trading partners. It remains to be seen what the investigation will ultimately find and what actions may follow. Regardless, importers and consumers should stay informed about these developments and monitor further changes in U.S. trade policy.

To learn more about the IEEPA tariffs, click [here](#).

To read the full text of the Trade Act of 1974, click [here](#).

To learn more about enrolling in the ACH program, click [here](#).