

# Trade 101: A Four-Part Educational Series

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## PART 1: Why Trade Matters and Trade Policy (1773-2015)

North American Blueberry Council – September 29, 2025



**Agriculture Trade  
Education Council**

A close-up, top-down view of numerous ripe blueberries. The berries are a vibrant blue color with a fine, white, powdery bloom coating their surfaces. They are densely packed, filling the entire frame. The lighting is soft and even, highlighting the texture of the fruit.

# INTRODUCTIONS

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# Today's Agenda

## Part 1: Why Trade Matters and Trade Policy (1773-2015)

9:00 am – 10:00 am Pacific

**Review Agenda, Course Structure, Learning Objectives**

9:00 – 9:05 a.m.

**Part 1A: Why Trade Matters**

9:05 – 9:25 a.m.

**Part 1B: Trade Policy (1773-2015)**

9:25 – 9:45 a.m.

**Roleplay and Report Out**

9:45 – 9:55 a.m.

**Wrap-Up**

9:55 – 10:00 a.m.

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# Course Structure

## Trade 101: A Four-Part Educational Series

**PART 1: Why Trade Matters and Trade Policy (1773-2015)**

Sept. 29, 2025

**PART 2: Recent Trade Developments (2016-2024)**

Oct. 14, 2025

**PART 3: 2025 Trade Policy and Breaking Developments**

Nov. 13, 2025

**PART 4: Blueberry Trade**

Dec. 9, 2025

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# Learning Objectives

1. Understand basic trade history, structures, and vocabulary
2. Understand recent trade issues and issues that may occur in the coming years
3. Provide participants with the tools to explain trade issues to colleagues

# Key Terms – Trade Lingo Bingo

- Anti-Dumping/Countervailing Duties (AD/CVD)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- Free Trade Agreement (FTA)
- General Agreement on Tariffs and Trade (GATT)
- Indo-Pacific Economic Framework (IPEF)
- International Emergency Economic Powers Act (IEEPA)
- International Trade Commission (ITC)
- Multi-Lateral Free Trade Agreement
- North American Free Trade Agreement (NAFTA)
- Permanent Normal Trade Relations (PNTR)
- Sanitary/Phyto-Sanitary (SPS)
- Section 232 of the Trade Act of 1974
- Section 301 of the Trade Act of 1974
- Trans-Pacific Partnership (TPP)
- U.S. Mexico Canada Agreement (USMCA)
- U.S. Trade Representative (USTR)
- World Trade Organization (WTO)

# **PART 1: WHY TRADE MATTERS AND TRADE POLICY (1773–2015)**

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# **PART 1A: WHY TRADE MATTERS**

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# BIG PICTURE: WHY TRADE?

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As stated by Cargill's *Fed By Trade Coalition*

- Trade helps feed a hungry world.
- Trade provides access to technology and resources.
- Trade benefits consumers and workers.
- Trade lifts people out of poverty.
- Trade supports our entire supply chain.

But, by bringing lower-cost imports into the U.S., trade can disrupt some domestic manufacturing and some types of farming ...



# DETAILS: WHY TRADE MATTERS

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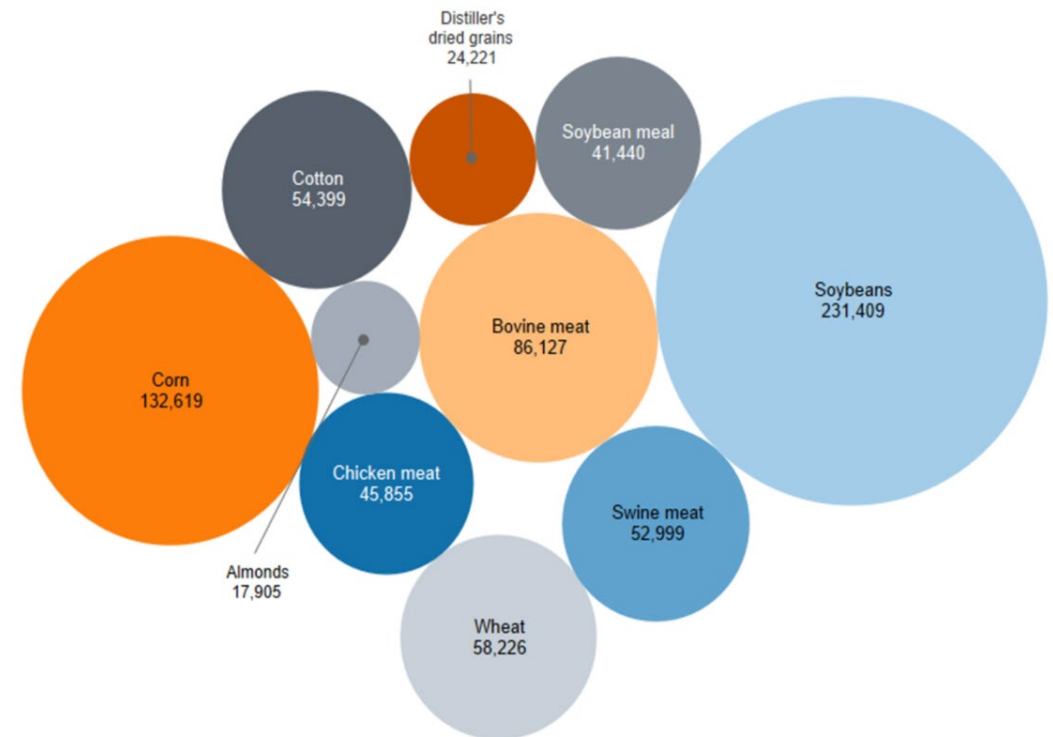
- $\frac{3}{4}$  of world purchasing power + >95% of the world's consumers outside of the U.S.
- The U.S. led trade barrier reduction since post WWII.
- Free trade agreements (FTAs):
  - expand global markets for producers and exporters.
  - promote dependable, affordable imports for consumers.
- Multilateral trade agreements:
  - strip away trade barriers
  - reduce or eliminate tariffs, and
  - promote investment and economic growth.



# FOR AG: WHY TRADE MATTERS

- Trade is responsible for about 20% of farm revenue in the U.S.
- In 2024, ag exports supported over 1.2 million U.S. jobs.
- American agriculture has built a brand as a reliable supplier of quality food to the growing world population.
- Farmers also rely on imported inputs including farm chemicals, equipment, parts, and fertilizer.

Jobs generated by agricultural exports



Source: USDA, Economic Research Service estimates of agricultural trade impacts based on Agricultural Trade Multipliers model.

An outline map of the United States, including Alaska and Hawaii, is shown in a light blue color against a darker blue background. The map is centered behind the text.

# **BROAD BENEFITS FOR THE U.S. ECONOMY**

**Each dollar of agricultural exports in 2022 stimulated another \$1.09 in business activity, according to USDA/ERS.**

**The \$197.4 billion of agricultural exports in calendar year 2022 produced an additional \$214.6 billion in economic activity for a total economic output of \$412 billion.**

<https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=109178>

# BIG PICTURE: IMPORTS

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- Trade disruptions complicate **global supply chains** putting further pressure on U.S. agriculture.
  - Tractors made in the U.S. incorporate globally sourced products.
  - The beef supply chain is deeply integrated between the U.S. and Mexico.
  - Barley from Montana ends up in Corona beer sold in Montana.
  - Trade and trade actions can raise the cost of inputs - chemicals, products made from steel/aluminium.



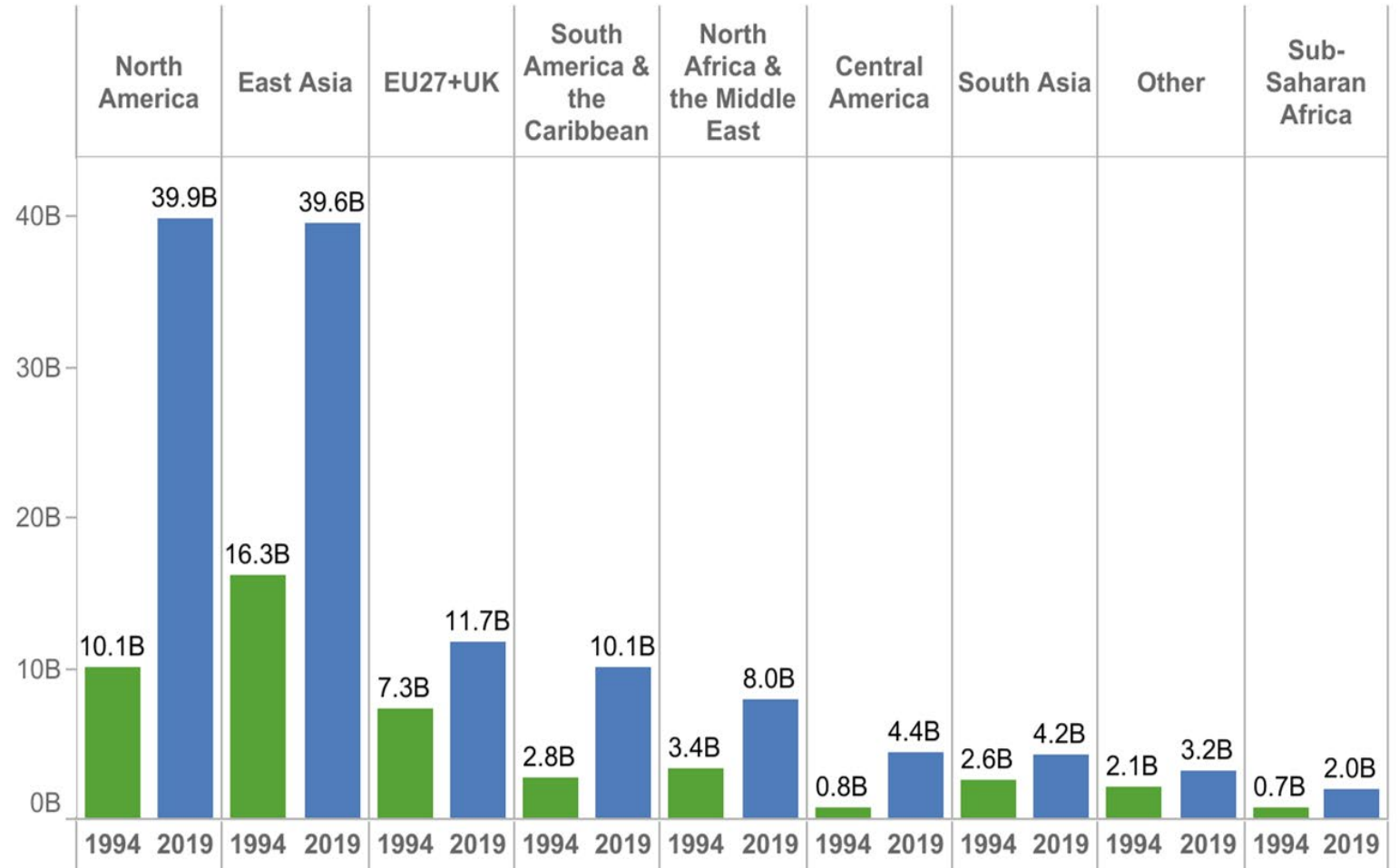
# TOP U.S. AG EXPORT MARKETS

## TOP 6 IN 2024:

(In billions)

1. Mexico (\$30.32)
2. Canada (\$28.38)
3. China (\$24.65)
4. EU (\$12.80)
5. Japan (\$11.98)
6. South Korea (\$8.52)

U.S. dollars



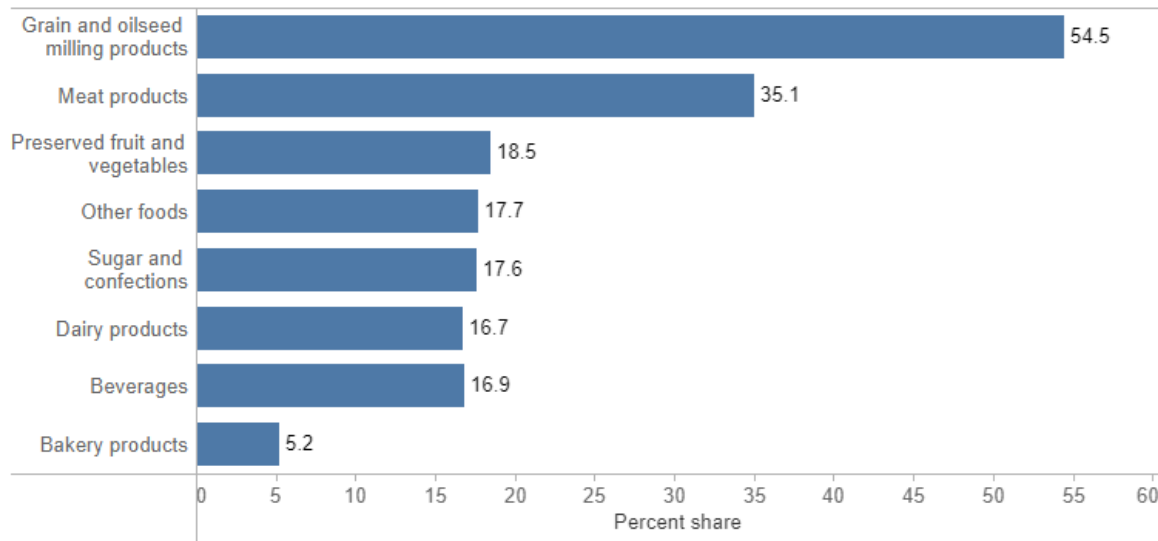
Calculated by USDA, ERS using data from the Foreign Agricultural Trade of the United States (FATUS) database

# U.S. AG = EXPORT POWERHOUSE

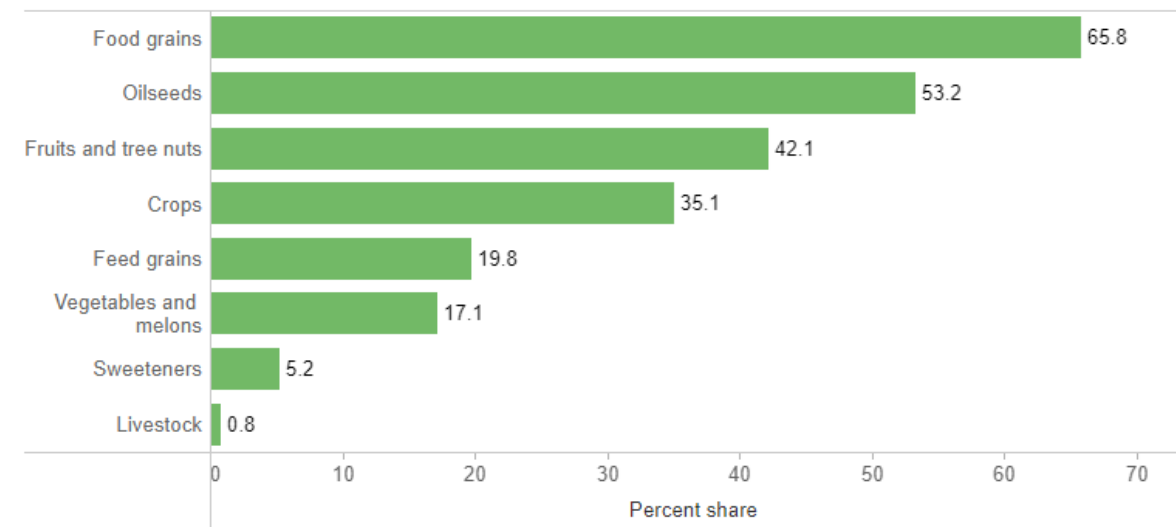
Average share of exports in U.S. agricultural production, 2008-2020

Find your stat @ [ers.usda.gov](https://ers.usda.gov)

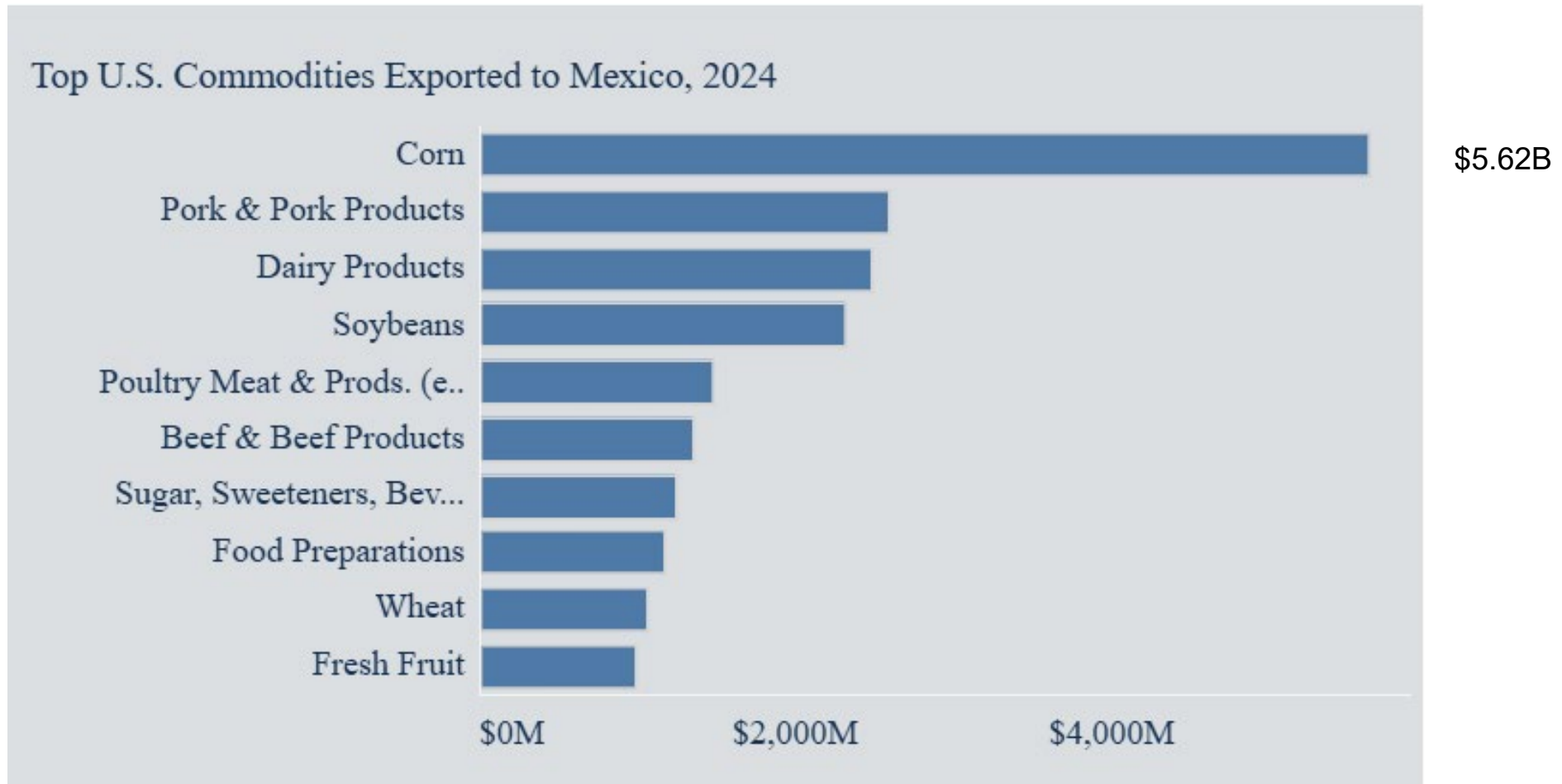
Manufactured products\*



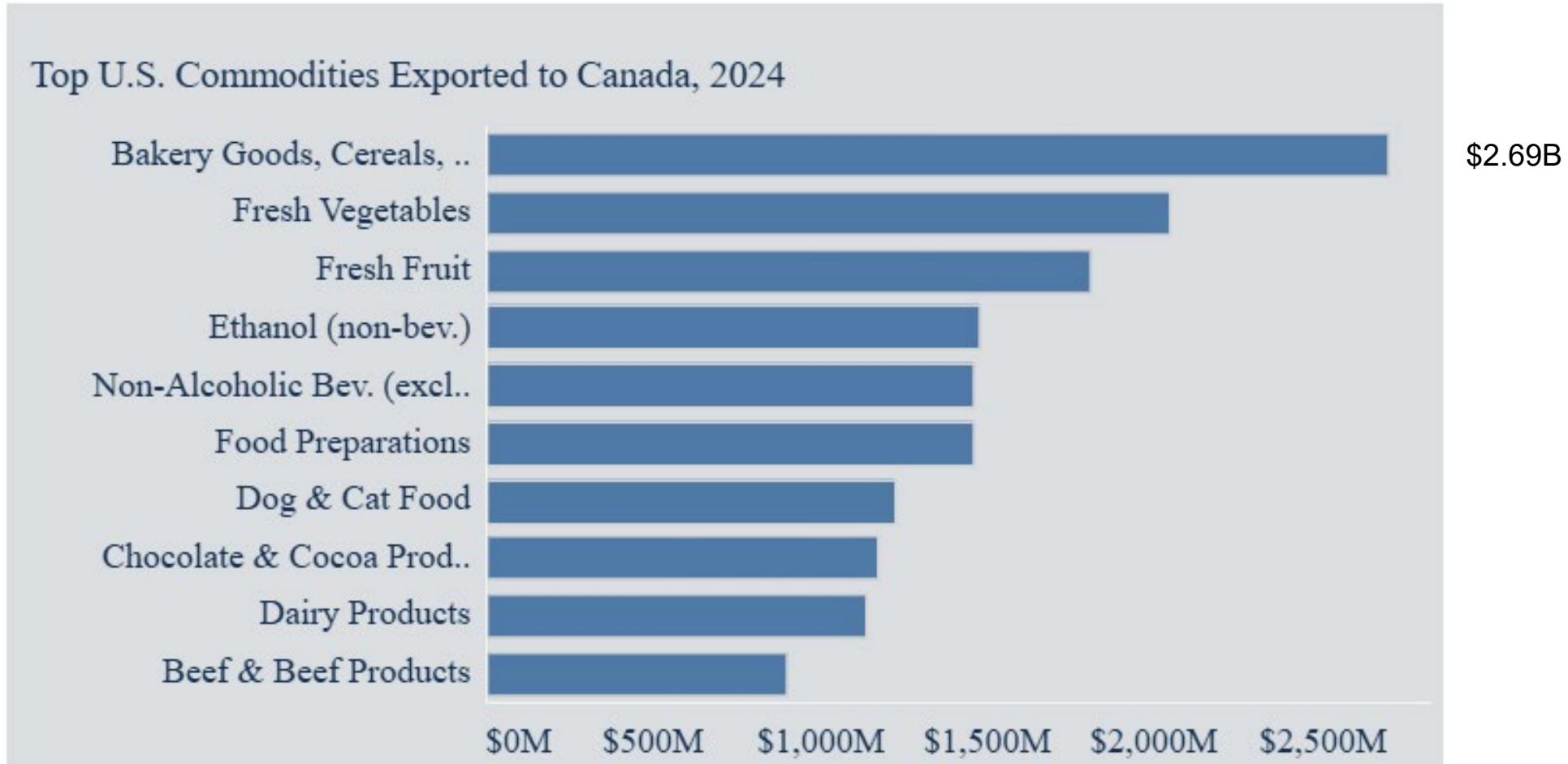
Nonmanufactured products



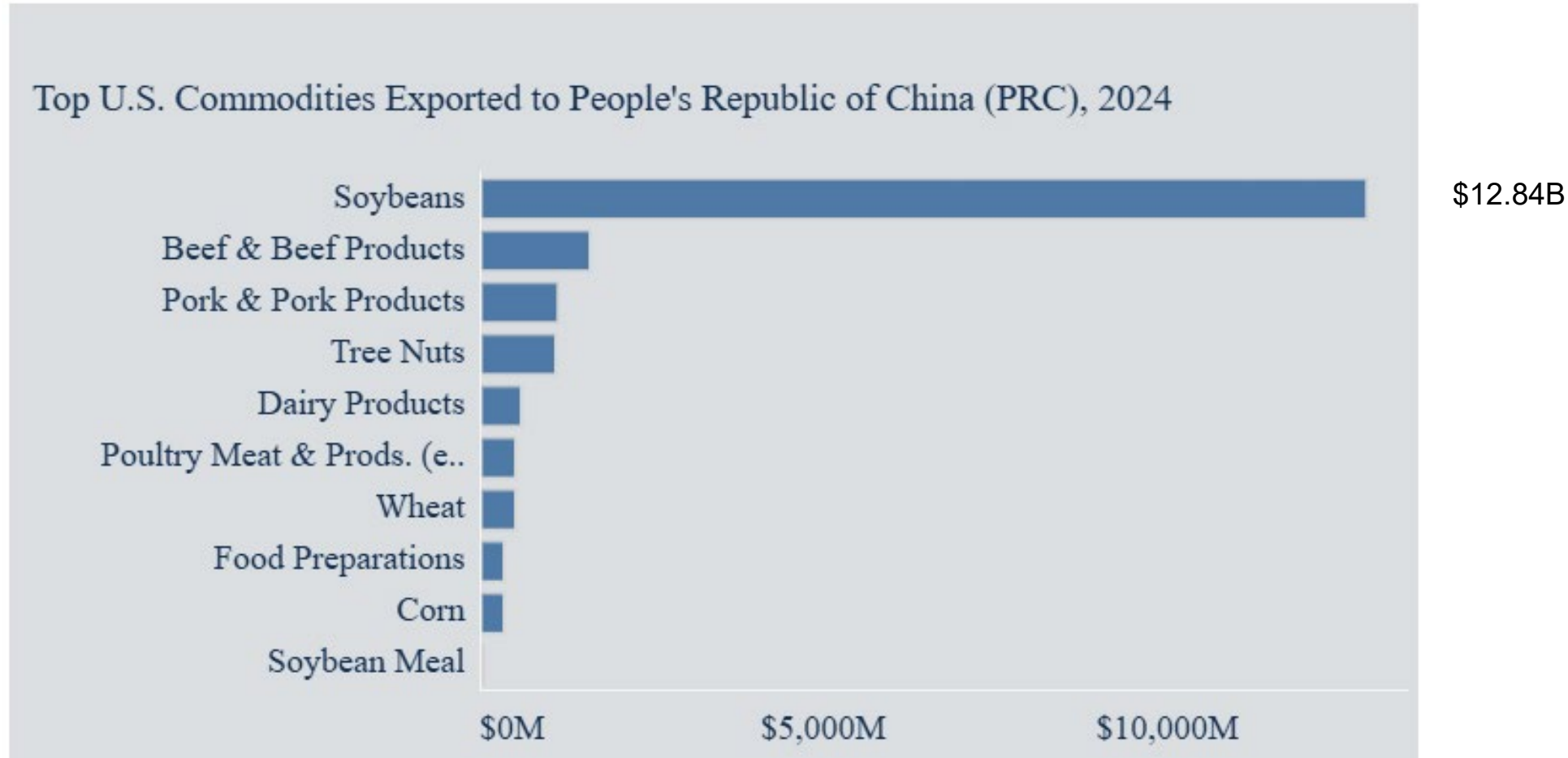
# TOP EXPORTS TO MEXICO



# TOP EXPORTS TO CANADA



# TOP EXPORTS TO CHINA

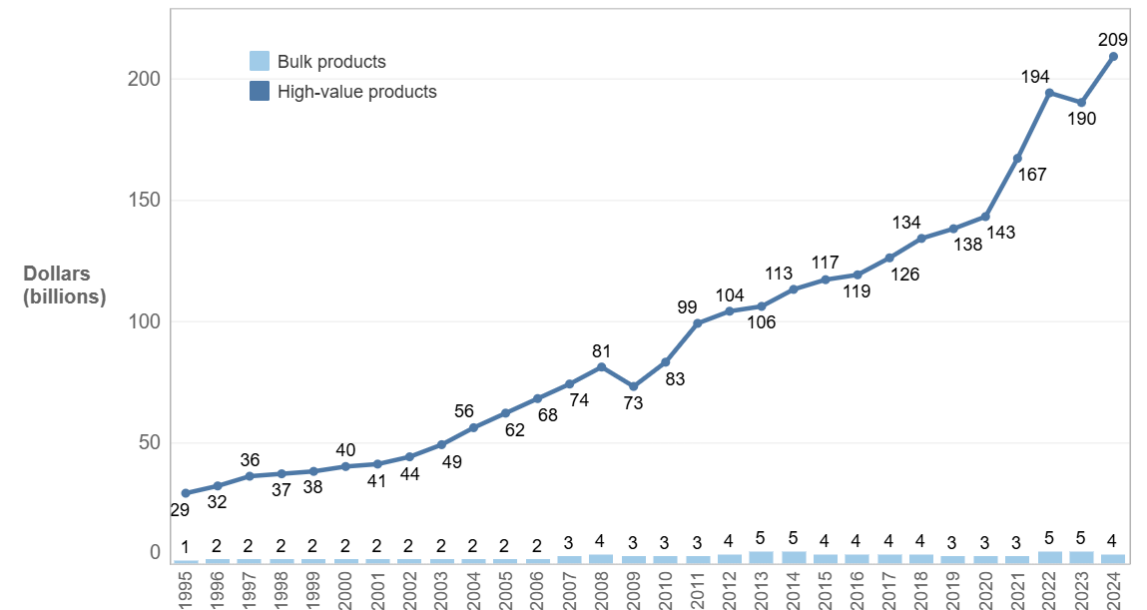


**FAS Chart Missing: #2 Export Corn \$5.21 Billion**

# FOR THE CONSUMER: WHY TRADE MATTERS

- Since 1999, total food and ag imports have increased from \$40 billion to \$213 billion.
  - 98% are high-value products
  - 50% of imports are horticultural (incl. fruits, vegetables, and alcoholic beverages).
  - 15% of imports are sugar and tropical products (incl. coffee).

Figure 7: U.S. imports of bulk and high-value commodities, 1995–24



# BIG PICTURE: IMPORTS

- Increasing trade benefits U.S. consumers, with 1) access to more competitively priced products, 2) new varieties of food, and 3) off-season supplies of fresh produce.
- Trade liberalization has facilitated U.S. imports of grape tomatoes and fresh avocados from Mexico, while Mexico has become the largest market for U.S. apples and pears.
- For tropical fruits, imports have been filling the demand gaps from a lack of U.S. production.
- Trade agreements mean lower prices for American consumers. (e.g. prior to NAFTA, imported cantaloupes had a 35% tariff).

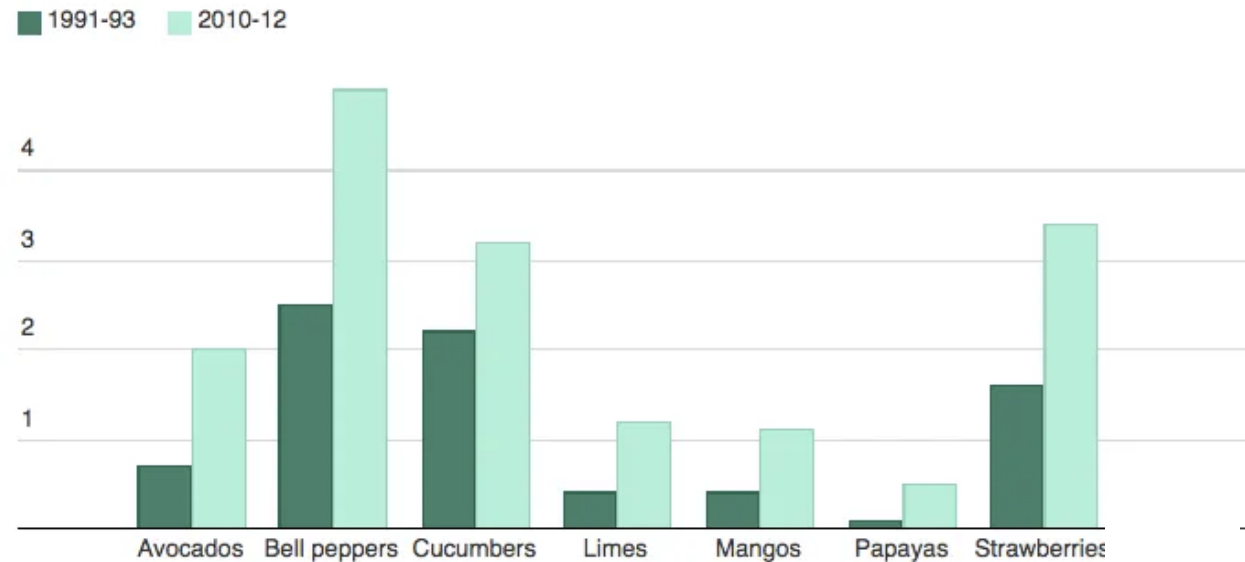


# BIG PICTURE: IMPORTS

In the two decades after NAFTA, Americans began eating more fruits and vegetables.

## America's changing eating habits, post-NAFTA

Per capita annual use of selected fresh fruits/vegetables (kilograms)

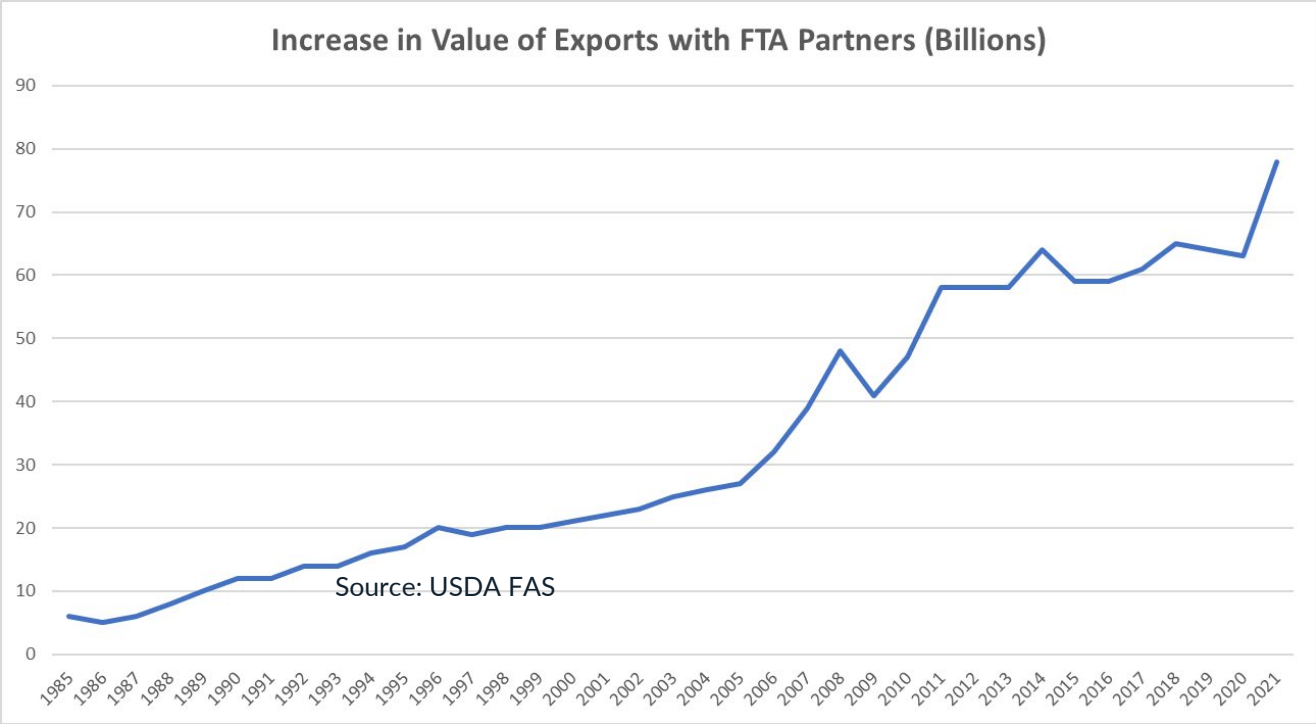


Source: USDA, [Get](#)



# FOR THE WORLD: WHY TRADE MATTERS

- The U.S. is the world’s largest producer of many agricultural products.
- Many countries rely on the U.S. as a dependable, low-cost source of safe agricultural products.
- U.S. agriculture now relies on international demand as a major component of total demand.



Source: Iowa State

# **PART SECTION 1B: TRADE POLICY (1773–2016)**

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# AMERICA'S TRADE ROOTS

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**We are a trading nation!**

**The first 150 years of American trade policy is a tariff story.**

**And, like with many things, in trade policy - history repeats itself.**



# TARIFFS AT THE FOUNDING

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1781  
to  
1789

## ARTICLES OF CONFEDERATION

States could tax both foreign goods shipped from overseas as well as goods coming across state borders.

1789  
to  
1791

## RATIFICATION OF THE CONSTITUTION

Article 1, Section 8 grants Congress the power to lay and collect tariffs. Congress' first legislation is The Tariff Act of 1789.

# CONSTITUTION **ARTICLE 1,** **SECTION 8**

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*“The Congress shall have Power To lay  
and collect Taxes, Duties, Imposts and  
Excises ... all Duties, Imposts and  
Excises shall be uniform throughout the  
United States...”*

# THREE INFLECTION POINTS

## TARIFFS NO LONGER MAIN REVENUE

President Wilson cuts tariffs from an average 40 percent to an average of 12 percent and institutes income and estate taxes to replace tariffs as revenue sources.

1913

## MASSIVE TARIFF HIKE

Congress passes the Fordney-McCumber Act which restored or raised tariffs above 1913 levels.

1922

## TARIFFS WORSEN GREAT DEPRESSION

President Hoover signs the [Smoot-Hawley Tariff Act](#) which raised nearly 900 tariffs, sparking retaliatory global tariffs that depressed global trade by 66 percent.

1930

# THREE TARIFF LESSONS

## ARBITRAGE

Buyers will seek out the cheapest prices for products that meet their needs.

Tariffs raise prices of imports which may cause buyers to EITHER substitute a domestic product OR substitute for another foreign import.

For example, a tariff on a Chinese-made clothing item might make clothing from Bangladesh more attractive to buy instead of American-made apparel.

## SNOWBALL EFFECT

It's difficult for the Administration or Congress to contain protections to one set of constituencies, or to apply protections without harm to another set of constituencies.

For example, the U.S. aluminum industry understood the U.S. was sympathetic to protecting U.S. steel producers with tariffs and asked for the same protections.

## RETALIATION

When one country raises tariffs, retaliation in the form of tariffs on our goods is likely to follow.

For example, to protect the U.S. steel industry from competition, the U.S. put tariffs on imported steel. Foreign governments responded by applying tariffs on U.S. agricultural exports as a way putting pressure on the U.S. Government to remove steel tariffs.

**TRADE POLICY:  
LIBERALIZATION,  
FROM GATT TO WTO**

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# THE “1934 SYSTEM”

1934-1947

## THE RECIPROCAL TRADE AGREEMENTS ACT

The Act is a reaction to the consequences of high tariffs under Smoot-Hawley.

Sets U.S. trade policy on a footing of liberalization. The President is authorized to negotiate and implement trade deals with nations that reciprocate on tariffs.

Between 1934 and the start of WWII, the Executive Branch negotiates tariff-cutting deals with 25 countries and offers “Most Favored Nation” status to third party countries - an approach that becomes the model for the 1947 General Agreement on Tariffs and Trade (GATT).



# MULTILATERAL “ROUNDS”

ROUND NAME/PLACE	DATES	APPROX. VALUE OF TRADE	NUMBER OF COUNTRIES
Geneva	1947	\$10 billion	23
Annecy (France)	1949	n/a	13
Torquauy (England)	1950-51	n/a	38
Geneva	1956	\$2.5 billion	26
Dillon Round	1960-61	\$4.9 billion	26
Kennedy Round	1962-67	\$40 billion	62
Tokyo Round	1973-79	\$155 billion	102
Uruguay Round	1986-93	\$3.7 trillion	123
Doha Round	2001 -	n/a	148+

# MULTILATERAL ACHIEVEMENTS

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- GATT members **progressively reduced tariffs** on the goods they traded with one another.
- **In the mid-1960s, the scope of negotiations broadened to address non-tariff barriers.**  
More elaborate procedures were created to settle disputes.
- A permanent institution - **the World Trade Organization (WTO)** - **was created in 1993.** It includes standing committees so members could routinely discuss implementation of existing agreements as well as negotiate new ones such as the Agreement on Agriculture and the Agreement on Sanitary and Phytosanitary (SPS) Measures.
- **Binding mechanism for enforcing compliance** that is unique to the WTO system.

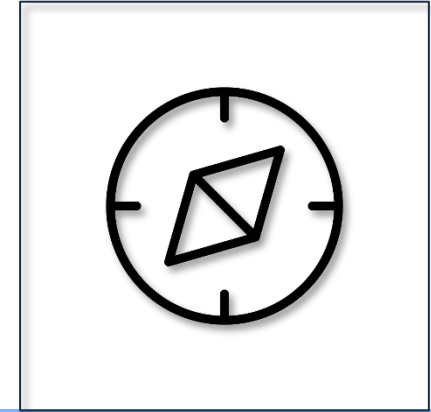
# IMPLICATIONS FOR AGRICULTURE

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- Agriculture **was not part of early tariff-cutting rounds.**
- **The WTO Agriculture negotiating agenda consisted of three pillars:**
  - 1 - Market access (mainly tariffs and TRQs)
  - 2 - Domestic supports ("boxes" to categorize domestic subsidies)
  - 3 - Export subsidies (got rid of them in 2015)
- Developing countries have not offered much market opening for U.S. agricultural products, but **U.S. agriculture does benefit from core WTO disciplines** on non-discrimination, customs procedures, and regulatory best practices requirements - also the foundation for innovative commitments in bilateral trade deals.
- Large emerging markets like Turkey, China, Egypt, Brazil and India have become major ag subsidizers but without active negotiations in the WTO, **we have few tools** to address the growing problem.

# WTO'S TRUE NORTH

Even without new deals, the WTO offers enduring benefits:



## TRANSPARENCY & NOTIFICATIONS

WTO members are required to operate trading systems in transparent ways and notify certain policies that affect trade, like ag subsidies.

## NATIONAL TREATMENT

applies to measures inside a country's borders, like taxation and regulation and requires governments not afford an advantage to domestic producers relative to foreign producers.

## MOST-FAVORED NATION

requires that governments not discriminate between importing countries by treating the products of Country A better or worse than those of Country B.

# U.S. TRADE LAWS

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- Trade Act of 1974
  - Section 122 – President may issue 15% tariffs for 150 days to address balance of payment issues.
  - Section 232 – President may issue tariffs to address national security issues.
  - Section 301 – President may issue tariffs to address unfair trade practices.
- International Emergency Economic Powers Act (IEEPA) – 1977
  - Allows President to regulate commerce with other countries to respond to national emergencies.
  - Used by past Presidents to implement trade embargos and to issue sanctions.

# **TRADE POLICY: ERA OF FTAS**

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# POP QUIZ #1

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With how many countries does the U.S.  
have free trade agreements (FTAs)?

# ANSWER!

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20, through 14 total agreements!

FTA partners include Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, South Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru and Singapore.

Note: In his first term President Trump also negotiated a “mini” agreement with Japan that was not a full free trade agreement.

# BILATERAL TO GLOBAL...

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- Congress has **delegated authority** to the executive branch to negotiate reciprocal tariff-cutting trade deals with individual countries.
  - For instance, the 1934 mandate was limited to bilateral deals.
- The post WWII-era creation of GATT enabled a platform for **moving from bilateral deals to global trading rules**.
- Now that **WTO has global membership**, multilateral is global.
- From 1947 through 2008, the United States focused on **leading the creation of global trade rules**, not negotiating bilateral trade deals.

# ...AND BACK TO **BILATERAL**

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- **Failure to conclude the Doha Development Round** of WTO negotiations prompted large trading nations to question whether comprehensive negotiations among 164 countries may be untenable.
- When talks broke down in 2008, the European Union and others immediately announced they would pursue bilateral and regional deals in addition to or instead of Doha negotiations in the WTO.
- Meanwhile, the Bush Administration had launched a “competition of liberalization,” setting a policy agenda that included **bilateral and regional free trade agreement negotiations in parallel with ongoing WTO talks.**

# THE FTA/WTO RELATIONSHIP: IMPORTANT STRUCTURE NOTE

Any bilateral or regional agreement outside the WTO is **considered an exception to the core obligation of MFN.**

But to qualify for the exception, bilateral free trade deals **may not create new barriers to trade** for countries that are not parties to those deals.

However, by definition, **FTAs create preferences** for trade among the parties, disadvantaging countries that are not part of the deal.

# U.S. FTAS

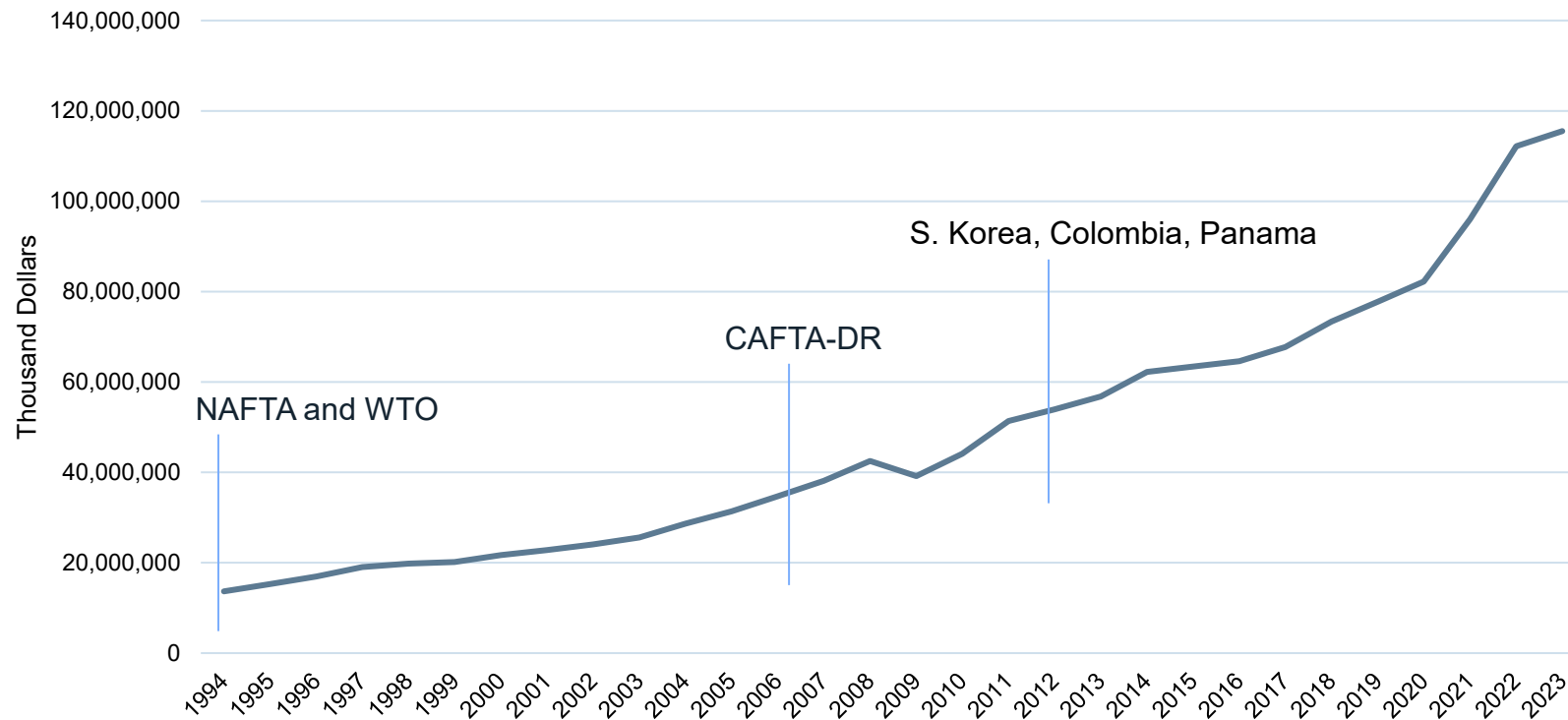
12 of the United States' 14 free trade agreements in force today were launched during the Bush Administration - including TPP from which the U.S. subsequently withdrew.

\*Central American Free Trade Agreement-Dominican Republic (CAFTA-DR) includes El Salvador (2006), Honduras (2006), Nicaragua (2006), Guatemala (2006) Dominican Republic (2007) and Costa Rica (2009).

Trade Partner(s)	Year Entered into Force
Israel	1985
NAFTA (Canada/Mexico) > USMCA	1989/1994 > 2020
Jordan	2001
Chile	2004
Singapore	2004
Australia	2005
Morocco	2005
CAFTA-DR*	2006-2009
Bahrain	2006
Oman	2009
Peru	2009
Panama	2012
Colombia	2012
South Korea	2012

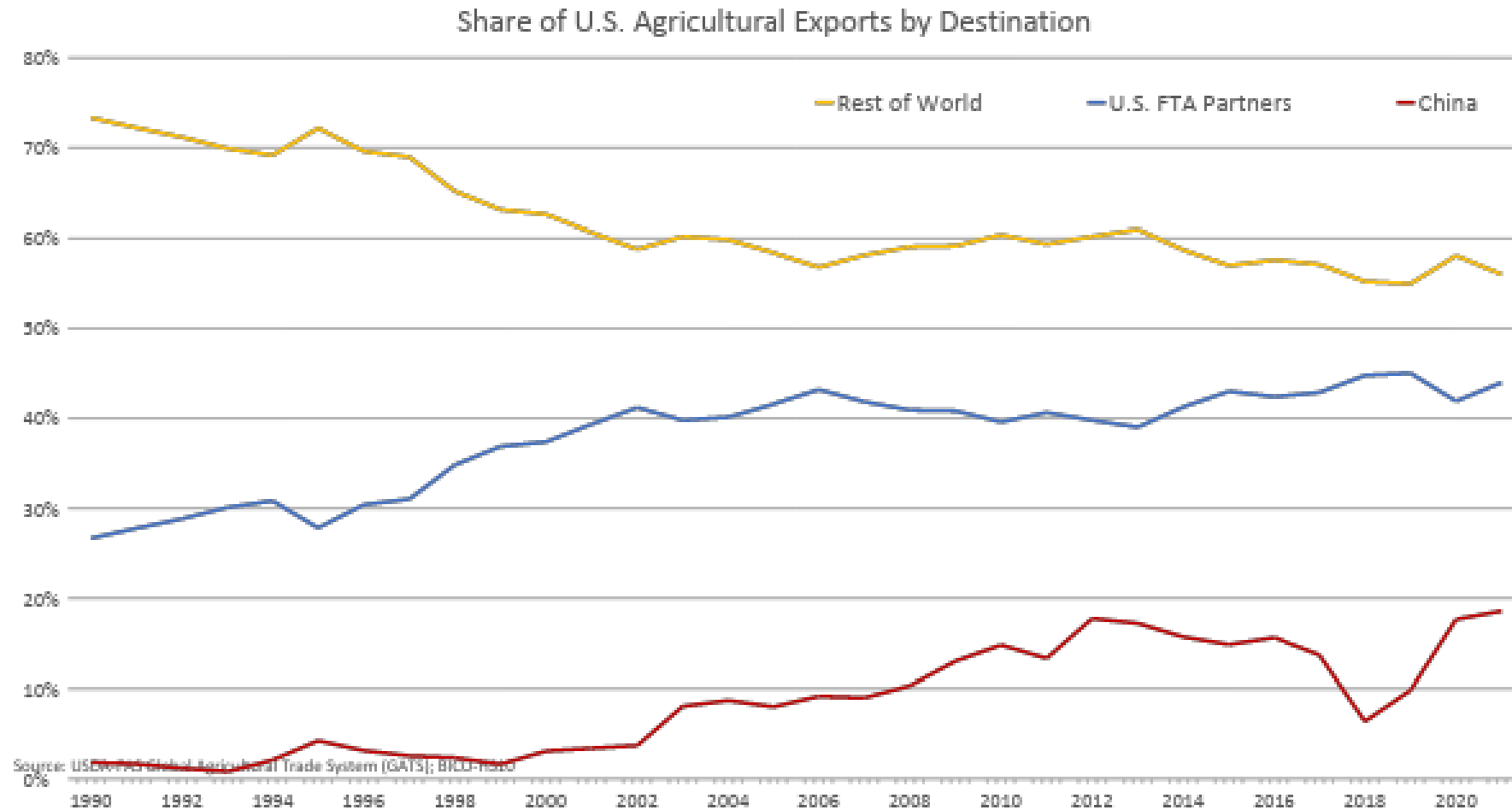
# U.S. FTAs

## U.S. Food and Ag Exports to 20 U.S. Free Trade Agreement Partners

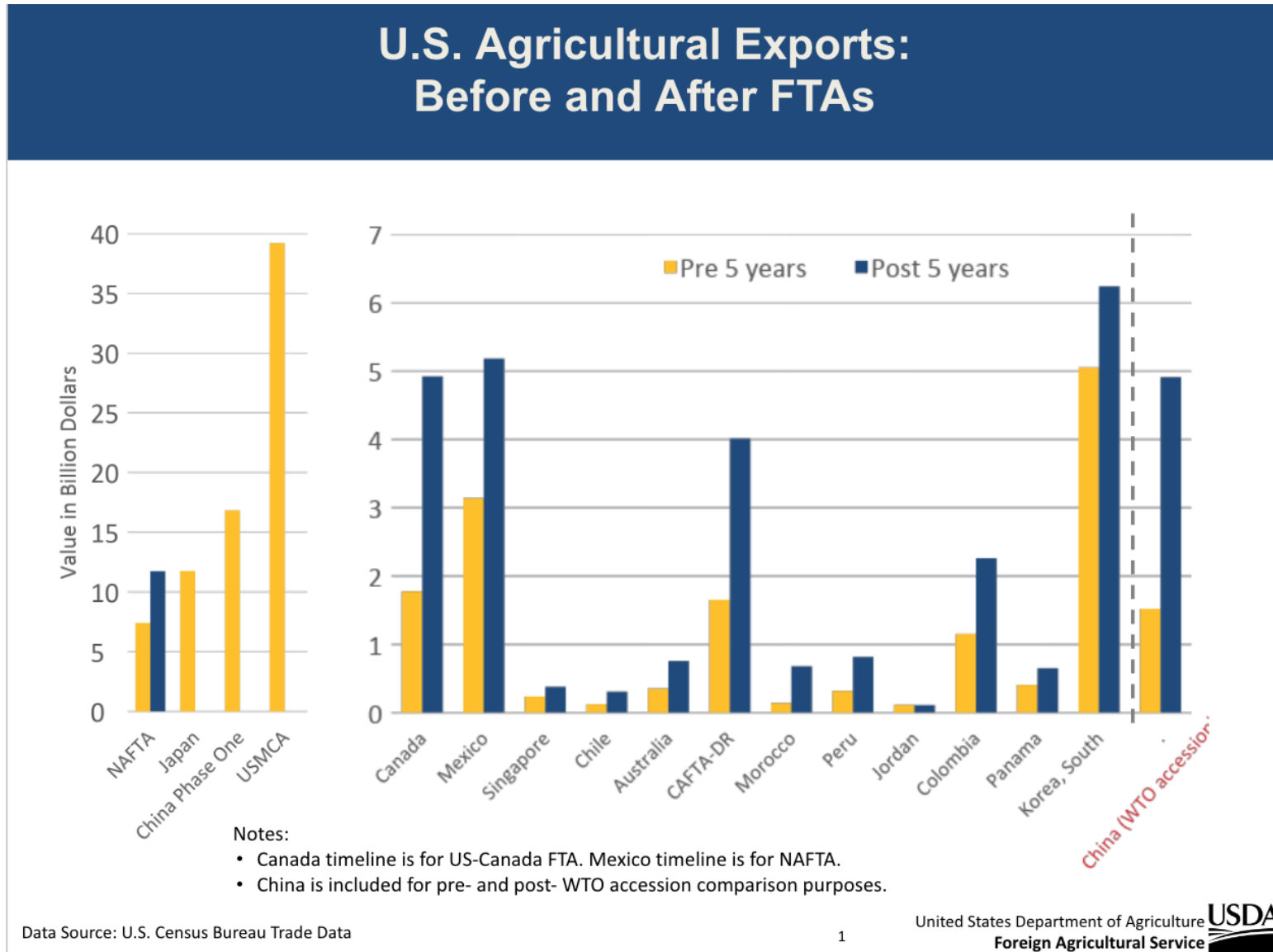


Source: USDA/GATS

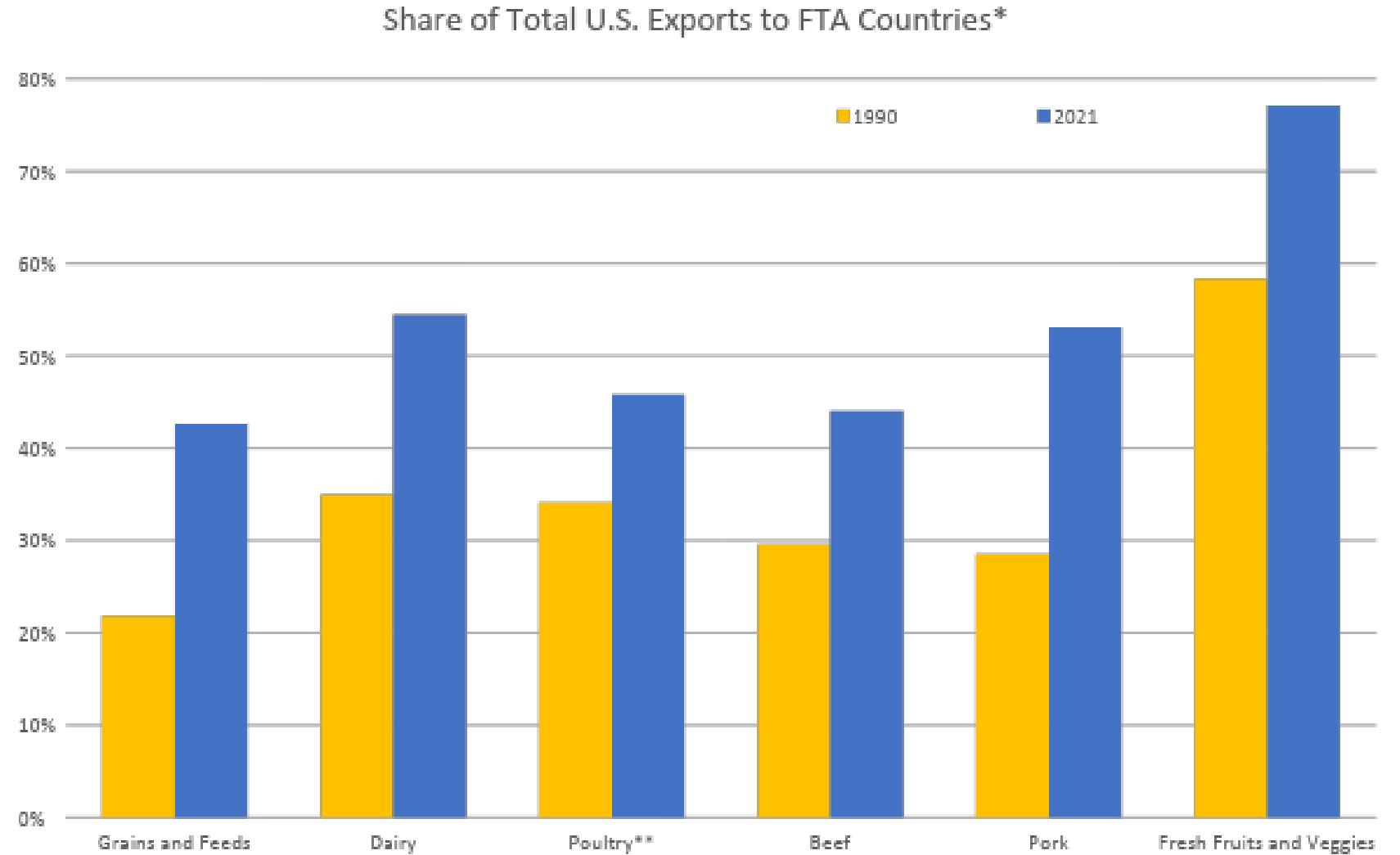
# STRONG AG MARKETS FOLLOW FTAS...



# ...AND FTAS CREATE STRONG AG MARKETS



# POST FTA GROWTH



Source: USDA-FAS Global Agricultural Trade System (GATS); BICO-HS10

\*Share of exports in value to the 37 FTA markets in 1990 or share of exports to same countries in 2021

# **BIG PICTURE: AGE OF PLURILATERALS**

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# U.S. TORN BETWEEN WTO **AND FTAS**

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Recall that from 1947 to about 2001, U.S. trade policy focused on global deals except for:

- Israel
- Canada Auto Pact
- NAFTA

The U.S. has not entered into a new FTA with a new trading partner since 2012.

# FTAs by Other Countries

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**Meanwhile, our trading partners were negotiating many more FTAs.**

EU:	~72 countries
Canada:	~51 countries
Mexico:	~50 countries
China:	~39 countries
Australia:	~30 countries
Indonesia:	~30 countries
Brazil:	~4 countries (Mercosur)
Vietnam:	~27 countries
Thailand:	~21 countries
United States:	20 countries

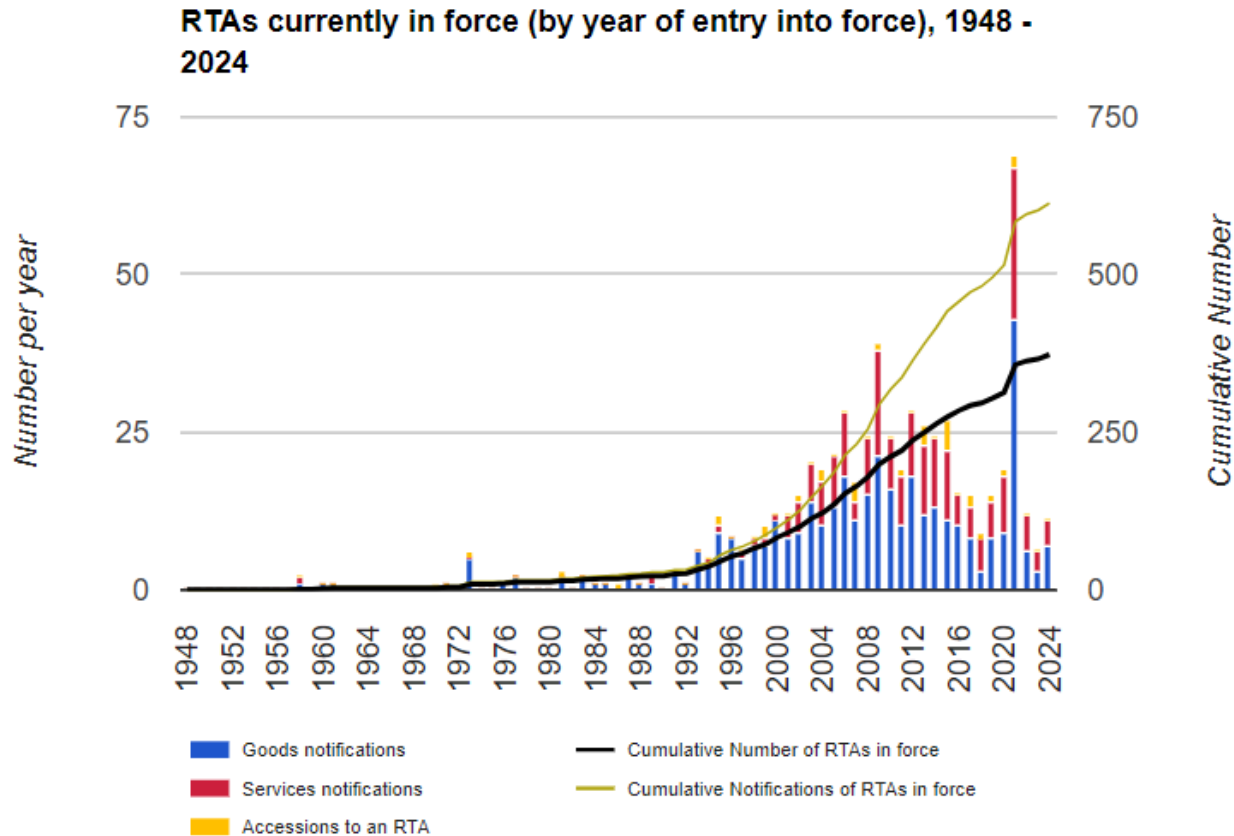
Note: Not all FTAs eliminate all or most tariffs

# “MEGA” FTAS & “PLURILATERALS”

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- “Mega” FTAs encompass a bloc of countries that **account for a large portion of global/regional trade**. Examples: Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), Japan-South Korea-China, RCEP 10+5: ASEAN, China, Japan, South Korea, Australia, New Zealand.
- So-called “**plurilaterals**” are **organized around trade in sectors** (e.g., Information Technology Agreement, Trade in Services Agreement) and involve the countries that account for the majority of trade in that sector. They can be negotiated inside or outside the WTO.

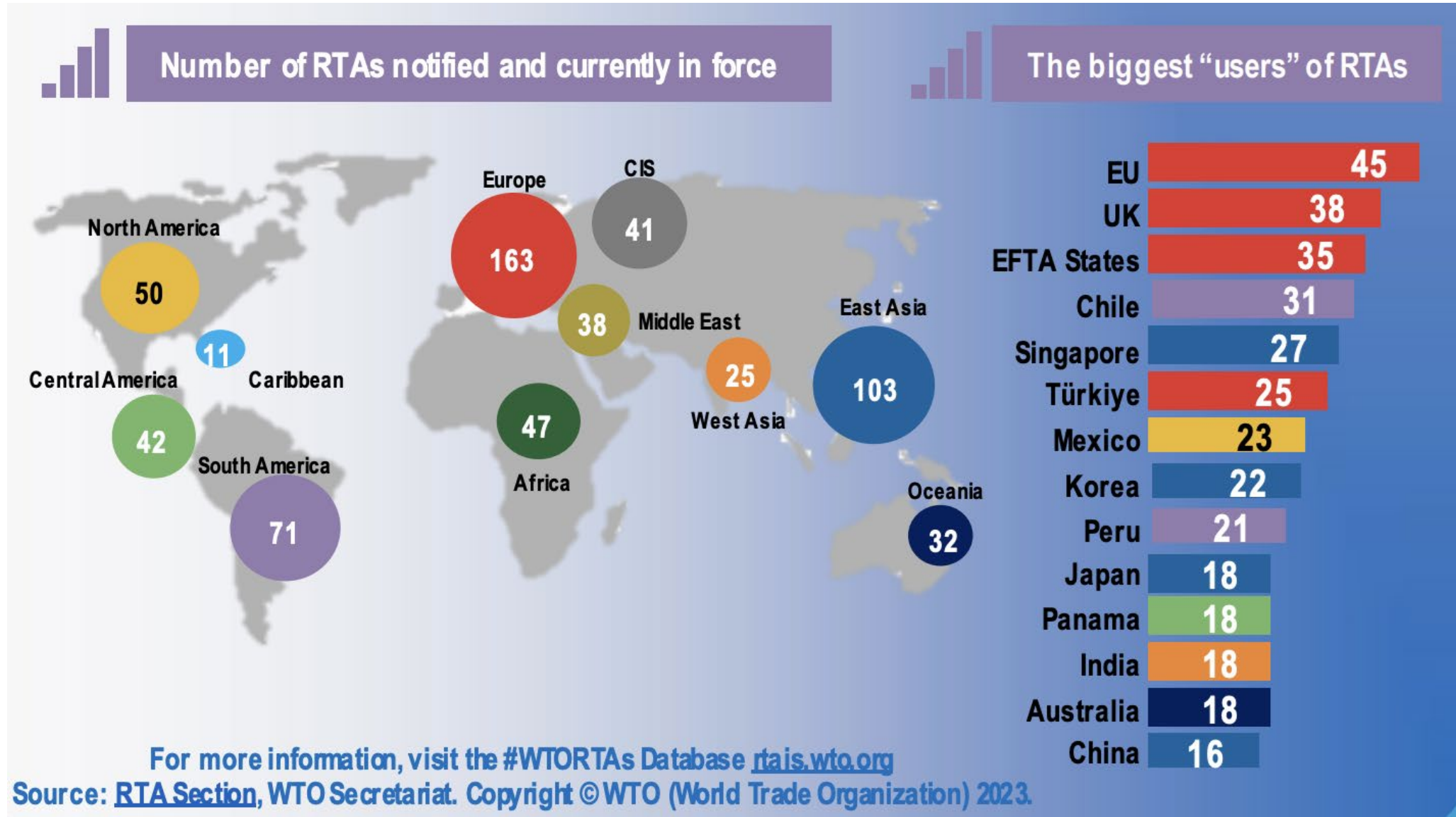
# EVERYONE'S DOING IT



According to the WTO, which keeps a public database of "regional trade agreements" notifications, there are 373 agreements in force outside the WTO as of Sept. 11, 2024. Most were negotiated just over the last decade.

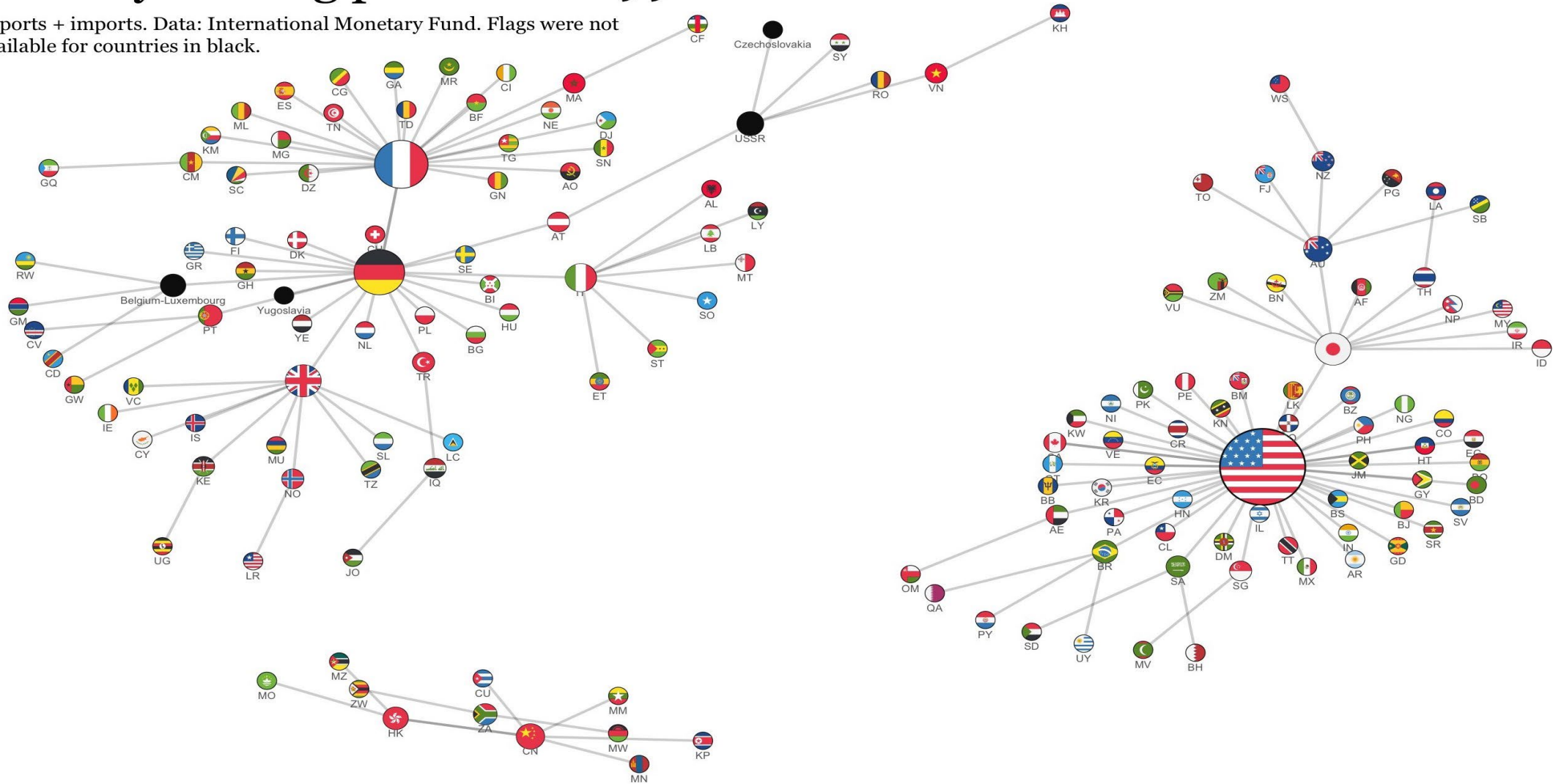
Note: Notifications of RTAs: goods, services & accessions to an RTA are counted separately. The cumulative lines show the number of RTAs/notifications currently in force.

# EVERYONE'S DOING IT



# Countries connected to their primary trading partner in 1990

Exports + imports. Data: International Monetary Fund. Flags were not available for countries in black.





# EXERCISE: ROLE PLAY

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Pair Up

Pick roles: talker and listener

One person – talks. The other listens and asks follow-up questions.

Switch when I call time!

# SECTION 1 PRACTICE

You are at a neighbor's birthday party eating ice cream and blueberries.

A friend asks you to explain why international trade might be a) good or bad for U.S. farmers and b) good or bad for U.S. consumers.



**REPORT OUT!**

# THANK YOU!

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**Agriculture Trade  
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