

Trade 101: A Four-Part Educational Series

PART 3: 2025 Trade Policy and Breaking Developments

North American Blueberry Council – November 13, 2025



**Agriculture Trade
Education Council**

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

INTRODUCTIONS

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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

Today's Agenda

Part 3: 2025 Trade Policy and Breaking Developments

9:00 am – 10:00 am Pacific

Review Agenda, Course Structure, Learning Objectives

9:00 – 9:05 a.m.

Part 1B + 2 Review: Trade Policy (1773-2024)

9:05 – 9:20 a.m.

Part 3A: Tariffs

9:20 – 9:40 a.m.

Part 3B: Legal Challenges

9:40 – 9:45 a.m.

Part 3C: USMCA Review

9:45 – 9:50 a.m.

Wrap-Up + Q&A

9:50 – 10:00 a.m.

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)

SECTION 1B + 2 REVIEW: TRADE POLICY (1773- 2024)

TARIFFS AT THE FOUNDING

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**

*“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...”*

Expansion of Global Trade



1934

THE RECIPROCAL TRADE AGREEMENTS ACT

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.

1947

General Agreement on Tariffs and Trade

Post World War II, Geneva Round of negotiations. U.S. leads 22 other countries to create GATT agreeing to international trading rules focusing primarily on tariffs. \$10 billion in global trade. Additional countries join GATT in the next four decades.

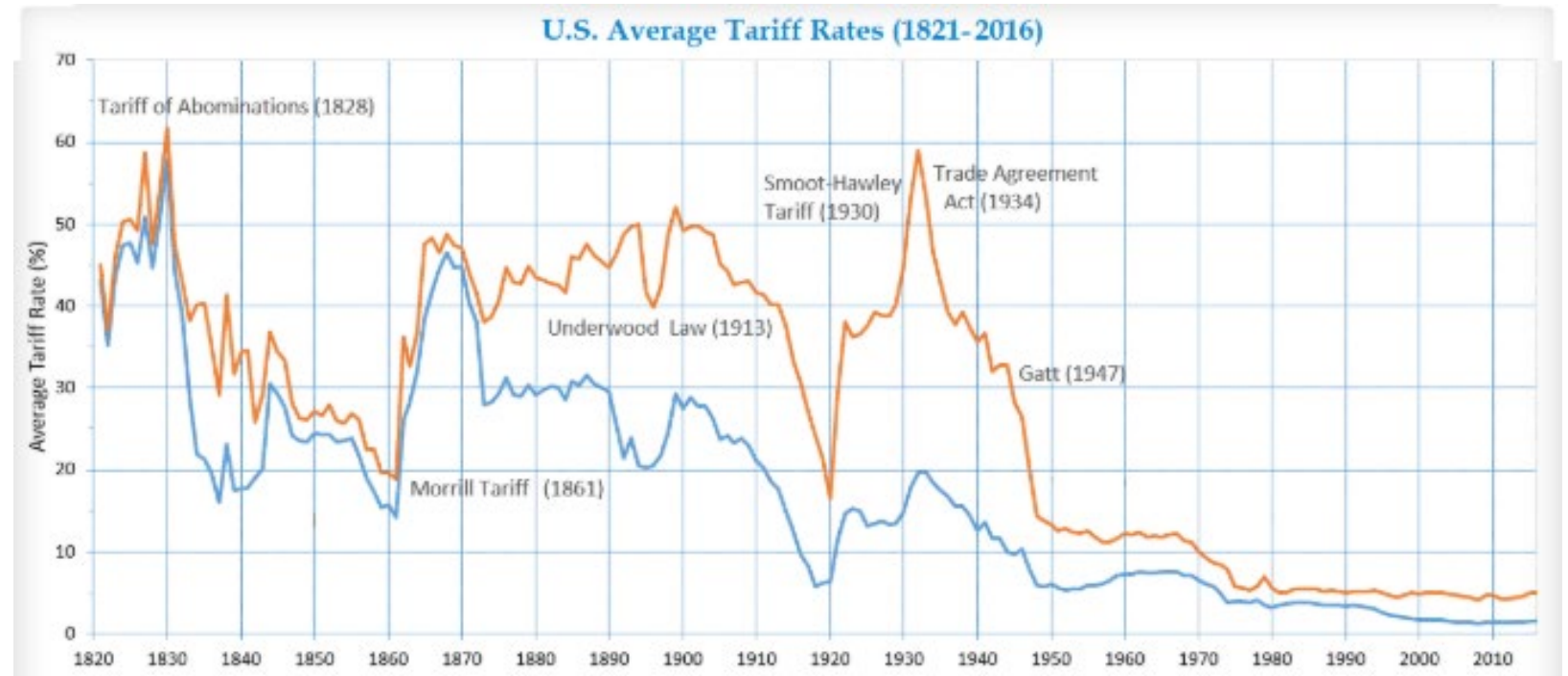
1993

World Trade Organization

Uruguay Round of negotiations. U.S. and 122 other countries create the WTO. Standing committees. Focus on non-tariff barriers to trade. \$3.7 trillion in global trade.

U.S. Tariff Rates

- 1890's - 29.6%
- 1920's - 15.2%
- Smoot Hawley - 19.8%
- 1947 GATT – 10.3%
- 2016 – 1.5%



U.S. TRADE LAWS

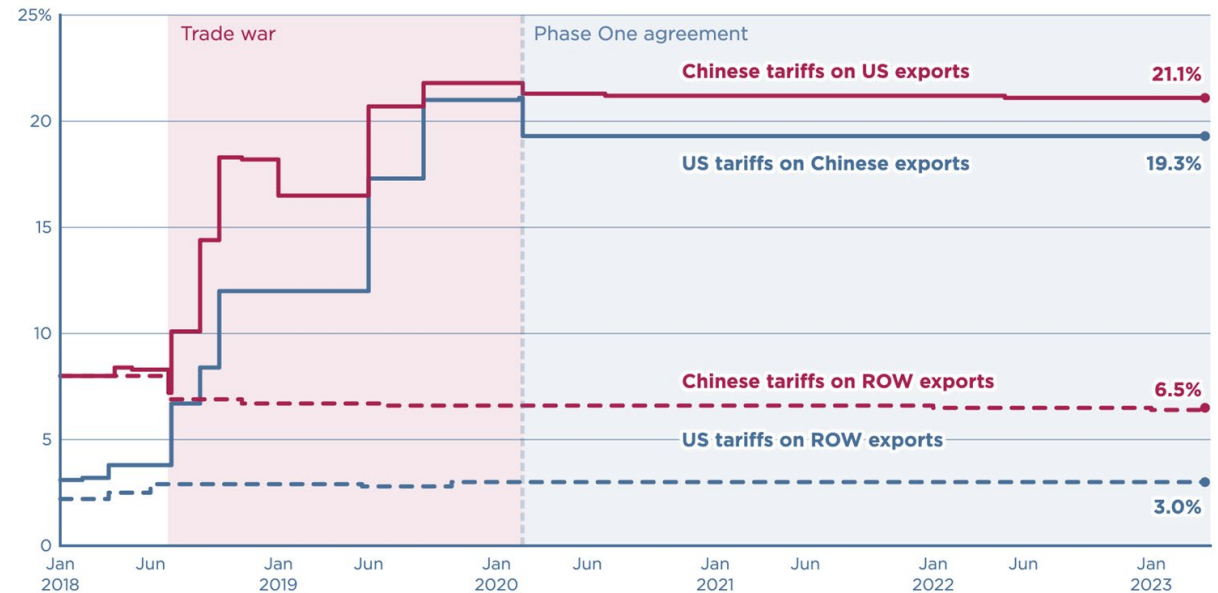
- Trade Expansion Act of 1962
 - Section 232 – President may issue tariffs to address national security issues.
- Trade Act of 1974
 - Section 122 – President may issue 15% tariffs for 150 days to address balance of payment issues.
 - Section 301 – President may issue tariffs to address unfair trade 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.

2016–2020: **TARIFFS**

- In 2018, Section 232 tariffs on steel and aluminum imports from major trading partners and Section 301 tariffs on imports from China.
- Tariffs increased the costs of farm inputs and prompted retaliation aimed at U.S. ag products.

US-China trade war tariffs: An up-to-date chart

a. US-China tariff rates toward each other and rest of world (ROW)



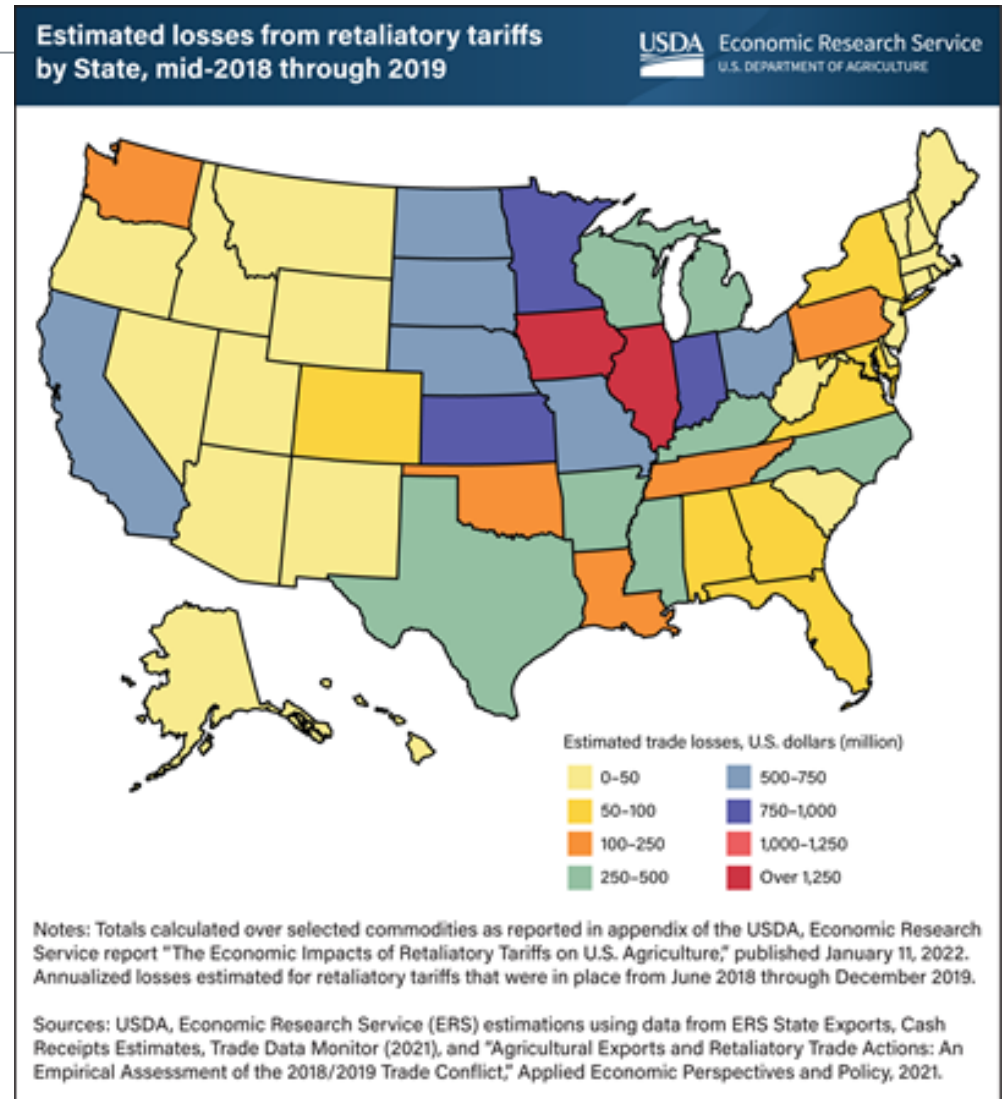
Source: <https://www.piiie.com/research/piie-charts/us-china-trade-war-tariffs-date-chart>

2016–2020: **TARIFFS**

Canada, China, the European Union, India, Mexico, and Turkey—announced retaliatory tariffs affecting U.S. agricultural and food products.

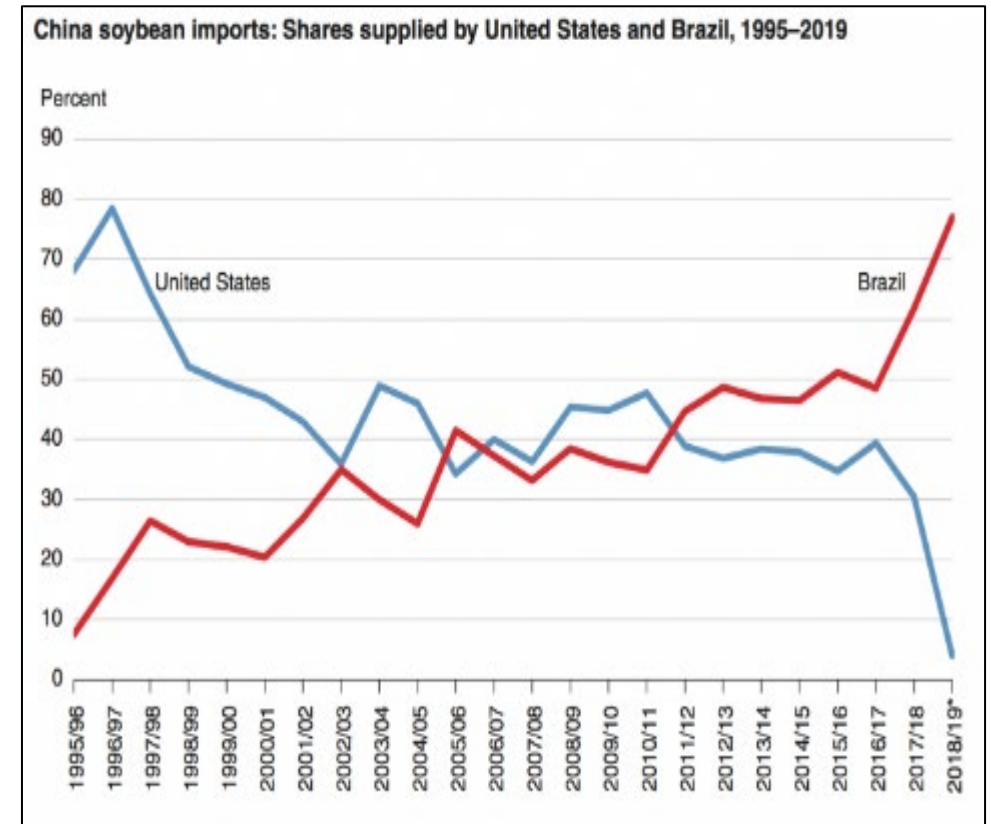
This led to a significant reduction in U.S. agricultural exports.

U.S. agricultural export losses totaled more than \$27 billion during 2018 through 2019. Impacts were concentrated in Midwestern states and California.



2016–2020: CHINA

- The U.S. and China signed the Phase 1 agreement in 2020:
 - China agreed to expand purchases of certain US goods and services by \$200 billion, including an additional \$12.5 billion of agricultural purchases.
- U.S. ag exports to China rebounded following the Phase 1 agreement and a separate retaliatory tariff waiver.
- However, one year after the deal, U.S. market share had not fully recovered to pre-retaliatory levels.
- Brazil has been a major benefactor of the trade war. The U.S. used to be China's largest agricultural supplier but was overtaken by Brazil and, more recently, the EU.



NAFTA and USMCA

- 1994 - North American Free Trade Agreement (NAFTA).
- 2019 – President Trump negotiated the U.S. Mexico Canada Agreement (USMCA) to update NAFTA. Congress overwhelmingly passed USMCA in 2020.
- USMCA largely kept NAFTA's tariff rates, retaining tariff free U.S.-Mexico-Canada trade.
- New labor standards and automobile parts standards.
- Dispute resolution process – GMO corn dispute.
- Six-year review process. Reviews every six years.



PART 3: 2025 TRADE POLICY AND BREAKING DEVELOPMENTS

PART 3A: Tariffs

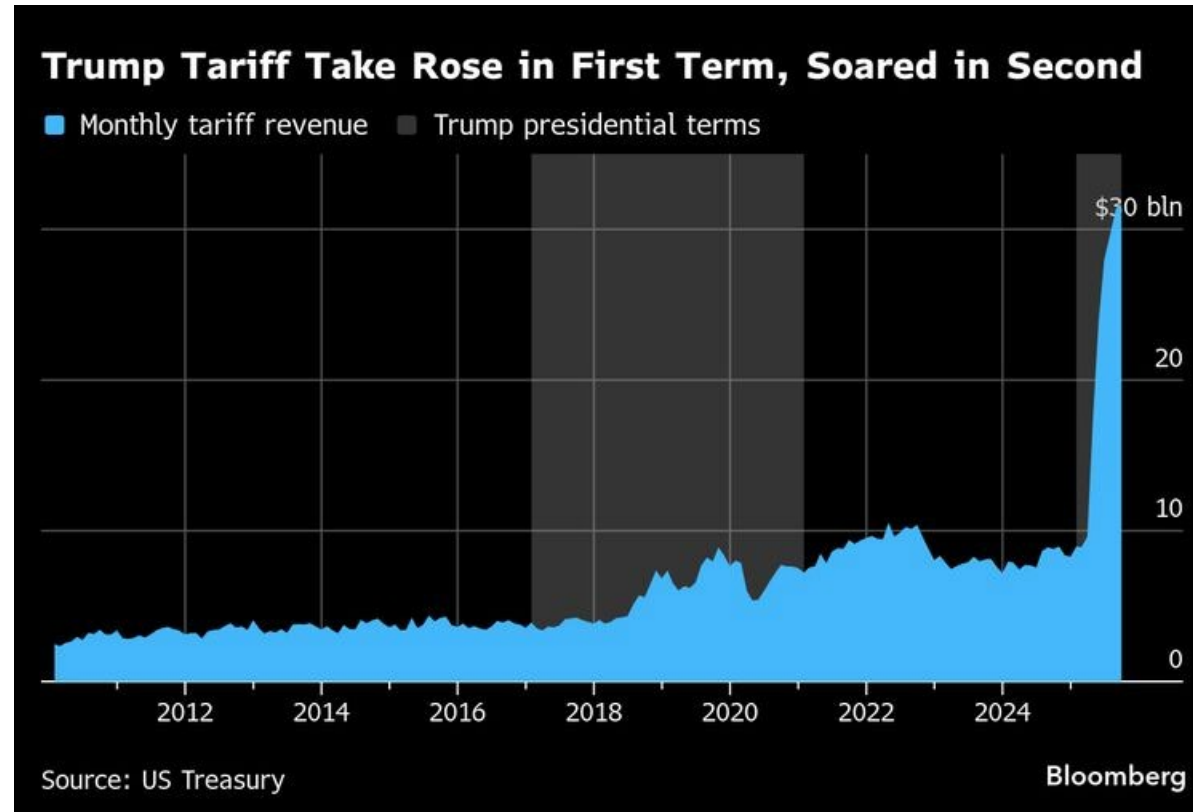
Trump Trade 2.0

- In 2024, the U.S. exported \$176 billion in agricultural products.
- President Trump ordered a sweeping review of trade policy in an executive memo signed on his first day in office.
- Trump imposed sweeping tariffs starting in February, citing national emergencies over fentanyl trafficking, unfair trade practices, and trade deficits.
- Triggered retaliatory tariffs and supply chain volatility, with significant impacts on agriculture.
- Since then, trade uncertainty has continued as he has imposed new tariffs, paused tariffs, and reimposed them again with tariff rates fluctuating wildly.



Trump Trade 2.0

Major escalation of the trade war launched during his first term.



Trump Trade 2.0

Since January, the average effective tariff rate has gone from 2.5% to nearly 18%—the highest in nearly a century.

U.S Average Effective Tariff Rate Since January 1, 2025

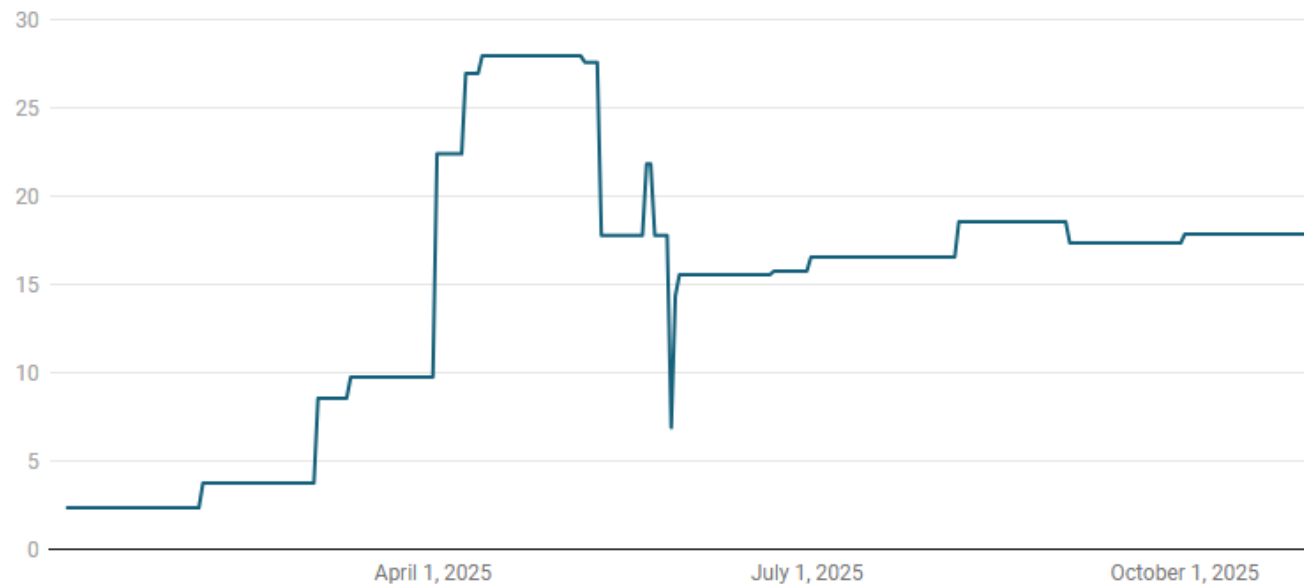


Chart: The Budget Lab • Source: The Budget Lab analysis. • Created with [Datawrapper](#)

Reciprocal Tariffs

- April: Trump announced global “Liberation Day” tariffs — minimum 10%, up to 50% for some nations.
- Tariff start dates repeatedly delayed for countries like China
- The president claimed the authority under Emergency Economic Powers Act (IEEPA), which Congress passed to try to rein in broader powers granted by a predecessor statute.
- Administration pledged 90 new trade deals in 90 days.



232 Tariffs

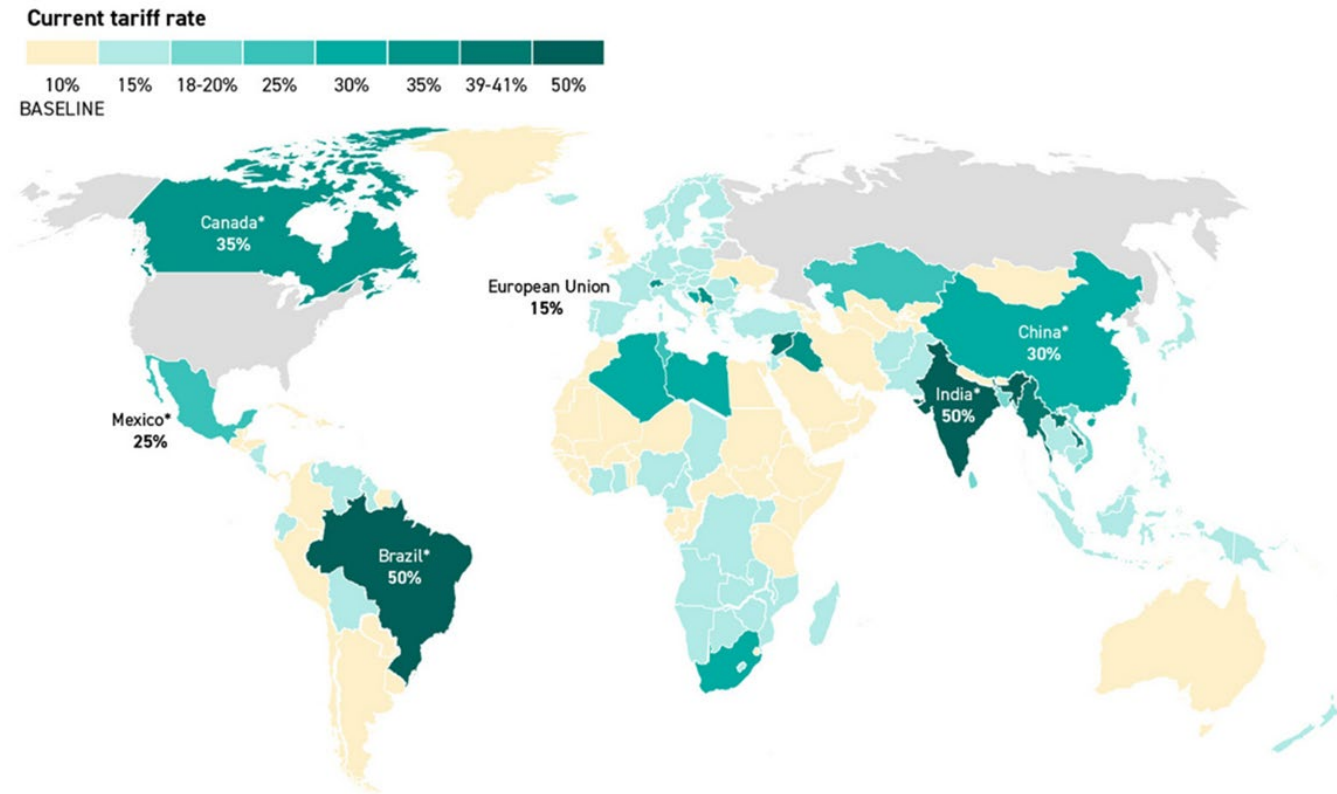
- Section 232 empowers the president to charge duties pending the results of a Department of Commerce investigation into the imports' effects on national security.
- President Trump has already used this tool to raise levies on:
 - Steel and aluminum
 - Cars and car parts
 - Copper
 - Furniture, lumber and timber
- Pending investigations on: Medium and heavy-duty trucks; Commercial aircraft and jet engines; Pharmaceuticals; Semi Conductors; Processed Critical Minerals; Drones; Polysilicon (Solar Panels); Wind turbines; Medical equipment; Robots and Industrial Machinery



Tariff Rates

More than 90 countries have tariffs above Trump's 10 percent baseline

Most recent tariff rates by country, effective as of August 2025



*Additional tariffs on India and Brazil were announced in subsequent executive orders, modifying their July 31 reciprocal rates. Additional tariffs on China and Mexico are paused for 90 days while deals are negotiated. USMCA-compliant goods are exempt from reciprocal tariffs on Canada and Mexico.

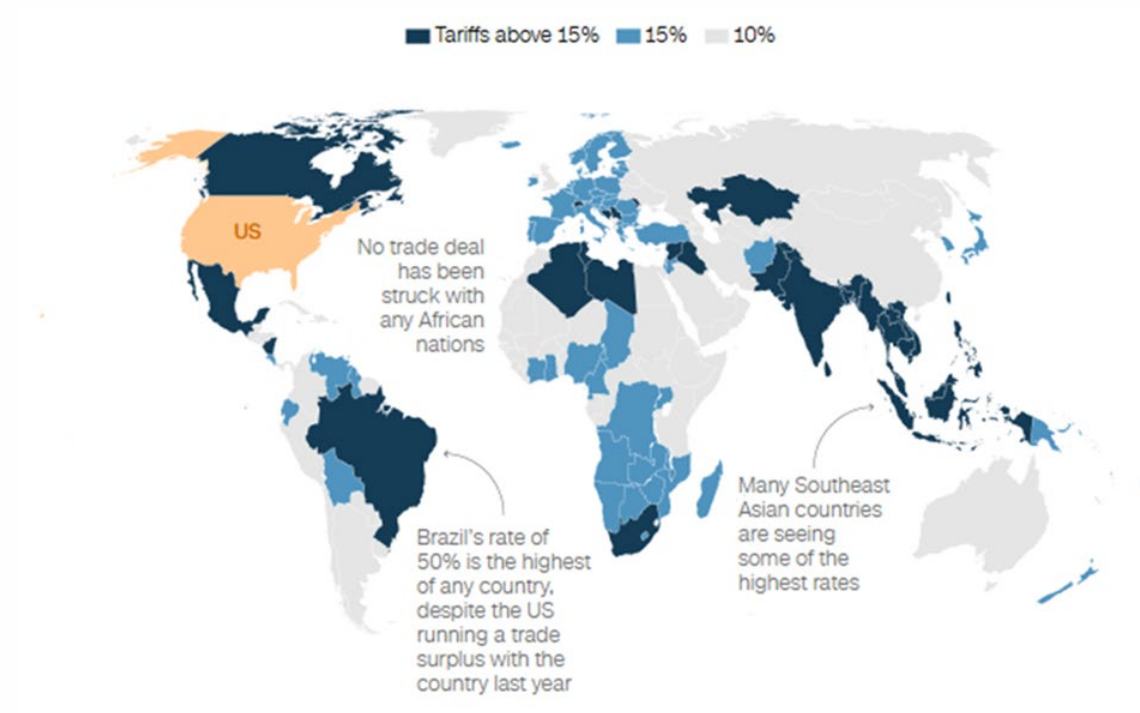
Source: The White House

Paroma Soni/POLITICO

Tariff Rates

Global trading partners affected by President Donald Trump's new tariffs

So far, the European Union, UK, Japan, South Korea, Philippines, Indonesia, Vietnam, Cambodia, Pakistan and Thailand have trade deals with the United States.



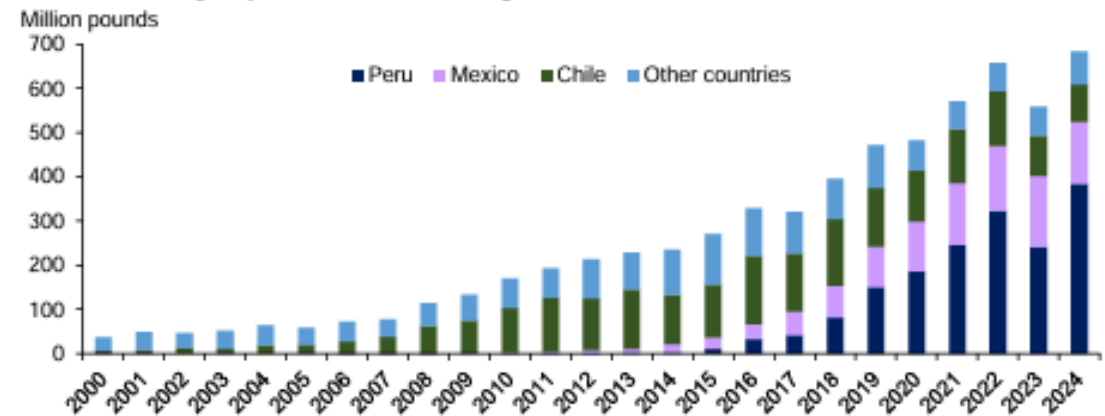
Note: Canadian and Mexican goods that are not exempted by the USMCA free-trade agreement face a tariff of 35% for Canada and 25% for Mexico. Most Chinese goods face a 30% tariff with some exemptions.

Source: White House
Graphic: Annette Choi and Rachel Wilson, CNN

Blueberry Exports and Imports

- Fresh blueberry exports and imports hit record highs in 2024.
- Peru, Mexico, and Chile account for nearly 90% of U.S. blueberry imports.
- Peru and Chile remain subject to a reciprocal 10% tariff, while Mexico and Canada are exempt.
- On average, about 66% of fresh blueberries available in the U.S. are imported each year.
- Canada is the top destination for U.S. fresh blueberries exports, accounting for about 94% of volume in recent years.

Fresh blueberry imports reach record high volumes in 2024



Note: Fresh blueberry imports include both cultivated and wild blueberries.

Source: USDA, Economic Research Service based on data from U.S. Department of Commerce, Bureau of the Census.

Trump Trade Policy - Trade Deals

- Trump announced tariff deals with some countries such as Japan, UK, EU, Vietnam, Indonesia, and the Philippines.
- The deals are not traditional trade agreements but mostly significant increases to tariff levels.
 - Japan's tariff rate was 1.5% when Trump took office, was threatened with a 24% reciprocal tariff, and ended up with at 15% tariff deal.
 - India and Brazil were hit with a 50% tariff based on Trump's disagreements with their domestic policies.



Trump Trade Policy – Exemptions



Potential Tariff Adjustments for Aligned Partners

Annex III

Note: All products that are properly classified in the provisions of the Harmonized Tariff Schedule of the United States (HTSUS) that are listed in this Annex are potentially eligible to be exempted from duties imposed by Executive Order 14257, as amended, as determined by the Secretary of Commerce and the United States Trade Representative for each trading partner that has concluded an agreement on reciprocal trade, based on the scope and nature of the trading partner's commitments under that agreement. The product descriptions that are contained in this Annex are

Bessent says tariff cuts on coffee, other ag products coming soon

“You’re going to see some substantial announcement over the next couple of days,” the Treasury secretary said in an interview on Fox News.



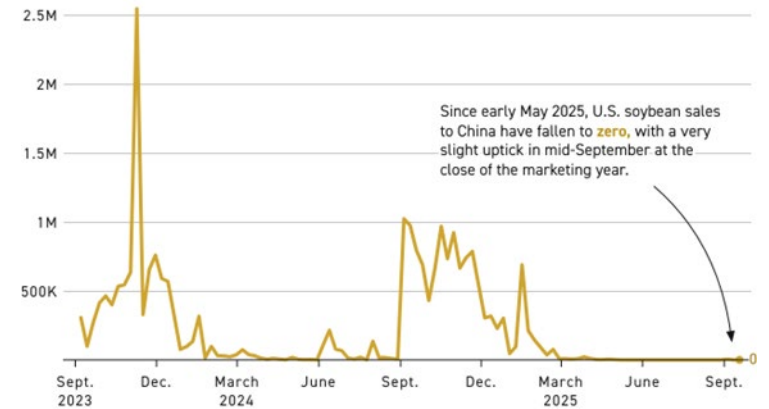
Secretary of the Treasury Scott Bessent speaks to reporters outside the West Wing of the White House in Washington, on Oct. 22, 2025. | Aaron Schwartz/CNP

Impact on Agriculture

- Producers of top U.S. agriculture exports such as soy and corn — and farmers who rely on importing fertilizer, steel and aluminum — have been impacted.
- Markets once seen as reliable are now marked by global trade uncertainties, threatening export stability.
- Exports fell - soybean sales to China collapsed; retaliatory tariffs cut exports of sorghum, cotton, and pork.

Soybean sales to China fell to zero in May

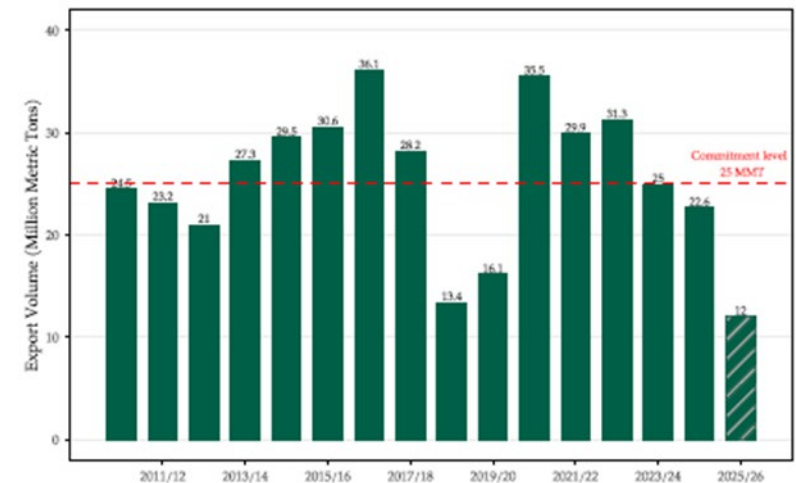
Weekly gross sales of soybeans from the United States to China, in metric tons



Note: Gross soybean sales to China of around 4.8K were recorded for the week of Sep. 4, 2025, coinciding with the end of the marketing year. Data may not be final due to the ongoing government shutdown as of Oct. 24.

Source: USDA

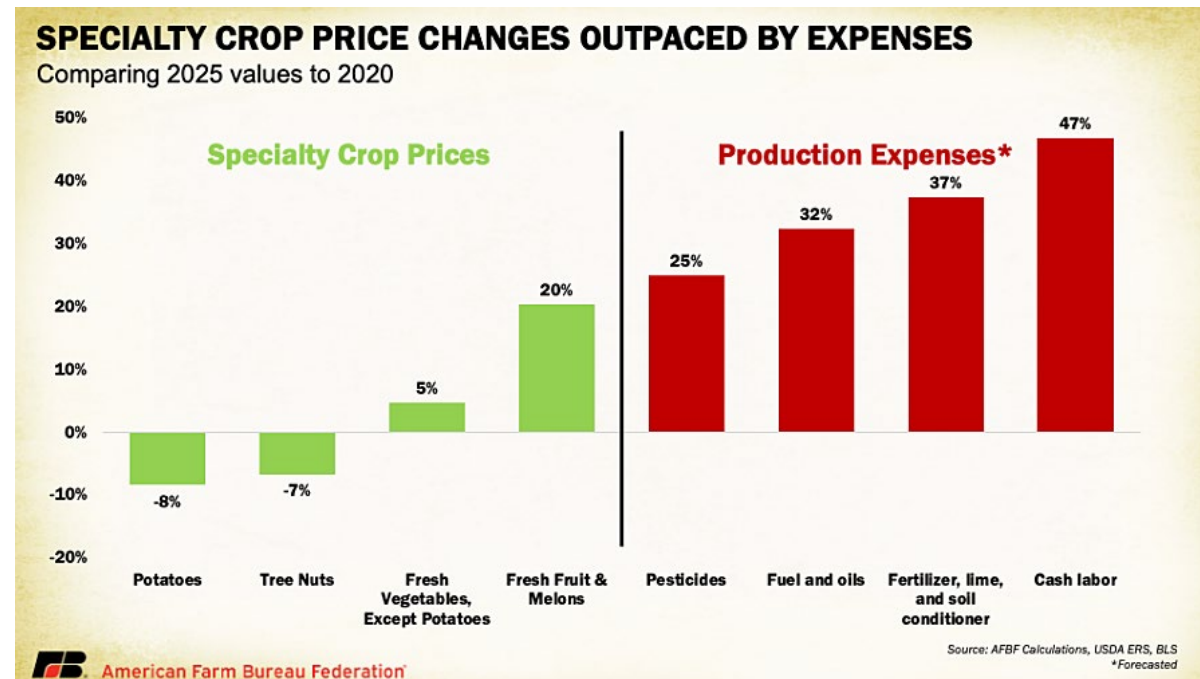
Paroma Soni/POLITICO



(a) U.S. Soybean Exports to China by Marketing Year

Impact on Agriculture

- Tariffs levied under IEEPA average more than 12% across key US agricultural inputs.
- Based on USDA data, 2026 production costs for some crops will reach record highs.



Impact on Agriculture

- The whipsaw nature of trade policy severely threatens ongoing trade disruptions, increasing the perception of the U.S. as an unreliable partner and risking the loss of markets developed over decades.
- Competing countries are forging trade agreements that exclude the U.S.



Donald Trump is shown at a podium with the Seal of the President of the United States, holding a sign titled "Reciprocal Tariffs". The sign displays a table of tariff rates for various countries, with a column for "Tariffs Charged to the U.S." and a column for "Tariffs Charged by the U.S.".

| Country | Tariffs Charged to the U.S. | Tariffs Charged by the U.S. |
|----------------|-----------------------------|-----------------------------|
| China | 67% | |
| European Union | 39% | |
| Vietnam | 80% | |
| Lebanon | 84% | |
| Japan | 86% | |
| India | 52% | |
| South Korea | 50% | |
| Thailand | 72% | 36% |
| Switzerland | 81% | 31% |
| Indonesia | 68% | 32% |
| Malaysia | 47% | 24% |
| Cambodia | 97% | 49% |
| | 10% | 10% |
| | 40% | 30% |
| | 10% | 10% |
| | 74% | 37% |
| | 10% | 10% |
| | 33% | 17% |
| | 34% | 17% |
| | 10% | 10% |
| | 10% | 10% |
| | 58% | 29% |
| | 20% | 10% |
| | 68% | 34% |
| | 10% | 10% |

PART 3B: LEGAL CHALLENGES

Trump Trade Policy – Legality

- Trump has used existing laws to justify his tariffs.
- Section 232 of the Trade Expansion Act for sectorial tariffs based on national security grounds.
- Section 301 of the Trade Act for unfair trade practices.
- International Emergency Economic Powers Act (IEEPA) to implement global tariffs declaring trade deficits constitute a national emergency.



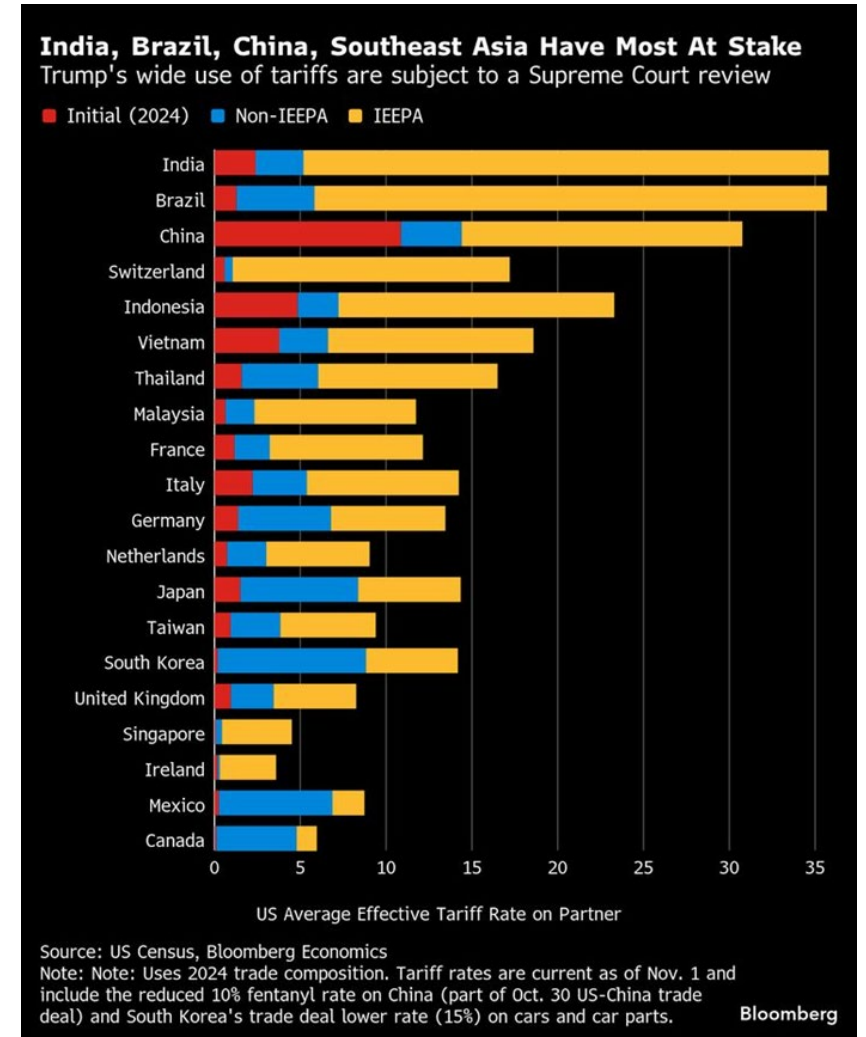
Trump Trade Policy – Legality

- Nov. 5: Supreme Court heard arguments on presidential power under IEEPA.
- Key issue: Does IEEPA allow tariffs?
- Three lower courts have ruled that using IEEPA for tariffs exceed presidential authority.
- Justices across the spectrum questioned Trump's broad use of IEEPA without Congress.



Trump Trade Policy – Legality

- With a ruling in the case not expected until late this year or early next, President Trump will be able to continue to use the emergency law broadly for now.
- Even if the Supreme Court overturns Trump's tariffs, the administration can use other statutes to impose similar duties.

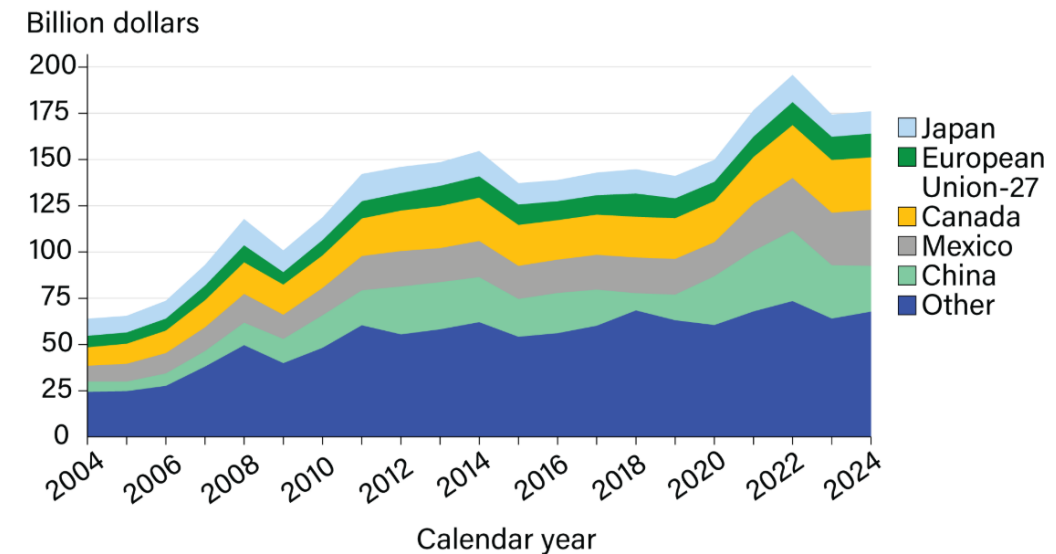


PART 3C: USMCA REVIEW

U.S.-Mexico-Canada Agreement

- Mexico (\$30.3 billion), Canada (\$28.4 billion), and China (\$24.7 billion) are the top three markets for U.S. agricultural exports constituting nearly half of our ag exports.
- One of the biggest exemptions from Trump's tariffs is for goods that are covered by the U.S.-Mexico-Canada Agreement (USMCA), which took effect in 2020.
- USMCA-compliant products, make up most imports from both countries.

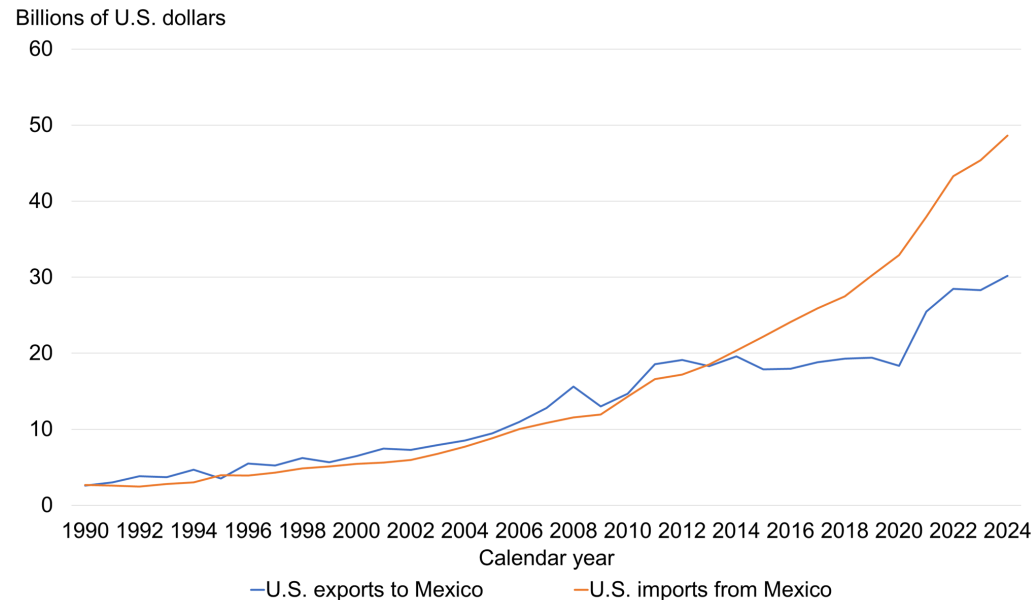
Top five markets for U.S. agricultural exports, 2004-24



U.S.-Mexico-Canada Agreement

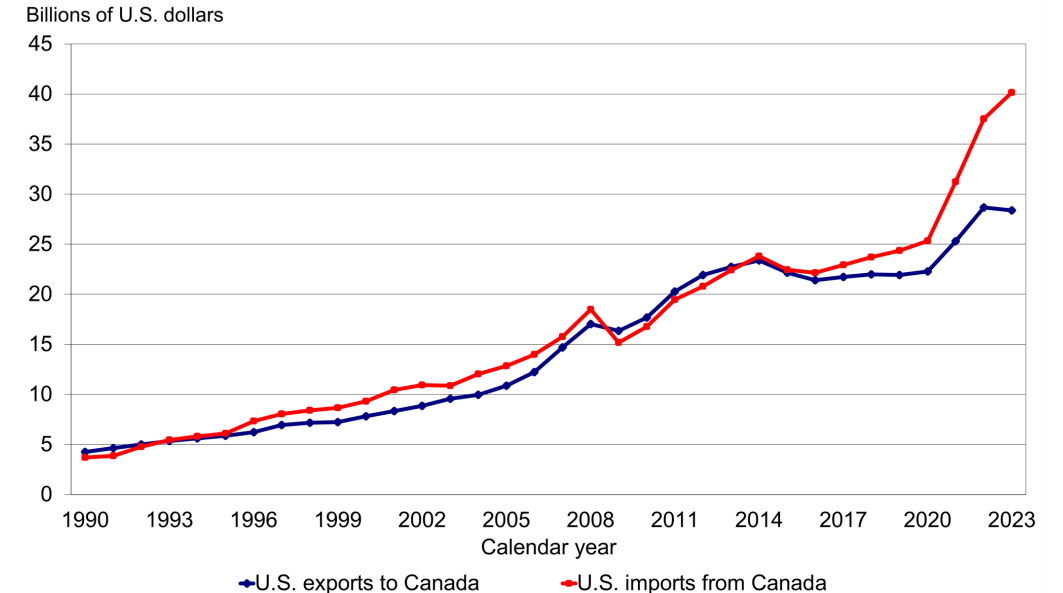
U.S. agricultural exports have soared under USMCA

Between 2019 and 2024, U.S. agricultural exports to Mexico expanded at a compound annual growth rate of 9.3 percent, compared with 10.0 percent for U.S. agricultural imports from Mexico



Note: Agricultural products are defined using the definition of the World Trade Organization (WTO).
 Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics, as compiled by USDA, Foreign Agricultural Service, *Global Agricultural Trade System*.

U.S.-Canada agricultural trade has expanded with few interruptions during the CUSTA-NAFTA-USMCA period



CUSTA = Canada-United States Free Trade Agreement. NAFTA = North American Free Trade Agreement.
 USMCA = United States-Mexico-Canada Agreement.
 Note: Agricultural products are defined using the definition of the World Trade Organization (WTO).
 Source: USDA, Economic Research Service using U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics data, as compiled by USDA, Foreign Agricultural Service, *Global Agricultural Trade System*.

U.S.-Mexico-Canada Agreement

- The USMCA is up for review next year.
- The president said he's fine with either extending the trade pact during next year's six-year review or negotiating separately with Mexico and Canada.
- Countries must confirm to continue USMCA by July 1, 2026.
 - If confirmed, continue to 2042.
 - If one or more countries doesn't agree to continue, the agreement will have annual reviews and expire in 2036.





Questions and Answers

THANK YOU!



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