

The impact of trump tariffs

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In 2018, the President of the United States Donald Trump decided to make some changes to our trade policies. The United States has always been one of the biggest trade partners in the world. As far as anyone can remember we have been trading goods with other countries.

Our biggest trade partner for years has been China. Following China is Canada and Mexico. In an action to try and bring more companies back to America, Donald Trump and his cabinet have placed tariffs on goods that we trade the most. A tariff is a small fee that is given to an item when it is traded whether it be imported or exported. Trumps cabinet believe that placing tariffs on items will cause companies that have moved their business overseas to come back to the United States. Thus, creating more jobs and boosting the economy.

A small majority of people, mostly government officials, believe the tariffs will bring companies back to the US ultimately creating more jobs and boosting out economy. As we all know the Trump campaign has done a great job at creating new jobs and our stocks are at an all-time high. The tariffs can have a great impact on our national debt in the long run, but have we stopped to realize what it might do to us as we speak? In the short run the high prices on products has the potential to close businesses and in return people will lose their jobs. The US was built on small businesses and farms and it should stay that way. In addition, other countries might decide that they will not back down to the tariffs and refute against us with tariffs of their own, which they already have. The possibility of another world war is in the works too because of it. Lastly, these tariffs have far more greatly impacted

the farming community than any other community out there. Farming is one of the most important parts of our survival.

Early this year Donald Trump signed a tariff that went into effect on Friday, July 6th that put a 25 percent duty on nearly \$34 billion worth of Chinese goods. Of that \$34 billion, \$14 billion worth of soy beans that were expected to ship to China will be impacted by tariffs. (Kellie Ell, Us economy, p. 1) The US greatest export to China is soy beans. Soy beans are produced mainly by traditional farmers and farmers struggle to make a profit off their crop every year. This tariff means that farmers make less money per bushel on soybeans because the difference in money will go towards the tariff and not into the farmers pocket. Rural communities are dependent on agriculture. It's their way of life blood, Casey Guernsey, a seventh-generation beef farmer in the Missouri-Kansas-Iowa area, told CNBC. (Kellie Ell, Us economy, p. 1). This statement goes to show that the passion and prosperity of farmers is a serious matter and these tariffs may go on to destroy much of what they have worked so hard for. The two most common crops that farmers produce are soybeans and corn. The price per bushel of soybeans is much greater than the price per bushel of corn. In addition, the bushel per acre of corn is much greater than the bushel per acre of soy beans. But, the demand for soy beans around the world is much higher than the demand for corn. Therefore, this tariff can cause so much destruction to the foundation of our farming community.

Not only has crop farmers been affected by the Trump Tariffs but livestock farmers as well. No matter the size of the operation it affects all parties that are involved in livestock. We put a halt on all investment, not just because <https://assignbuster.com/the-impact-of-trump-tariffs/>

we will be losing money, but because we don't know if growing in the U. S. is the right move if we won't be an exporting country, said Ken Maschhoff, chairman of Maschhoff Family Foods and co-owner of the nation's largest family-owned pork producer. (Jeff Daniels, We are the Casualty, 2018).

Hearing this from the top pork producer in the U. S. is a scary thought and brings up the matter that if the big buy' is hurting then most likely the small guys' are hurting much worse. The tariffs are sure to shut down producers across the U. S. China and Mexico are the two largest importers of U. S. Pork. China is the second largest and receives about a total of \$1. 1 billion a year. Mexico is the largest and it is estimated to receive about \$1. 5 billion a year in pork for the US. (Jeff Daniels, We are the Casualty, 2018). After the US decided to tax imports on China, China retaliated. Originally there was around a 50 percent tax on imported pork to China, with the new tariff that is supposed to exceed to 70 percent. Experts say that this tax percentage is expected to raise to 81 percent. At 81 percent net tariff, you're not moving any pork product into China, said Christine McCracken, executive director of animal protein at Rabobank. (Jeff Daniels, We are the Casualty, 2018).

Basically, China is closing its doors on any imported pork from the U. S. Mexico has also decided to add to the import tax train set on US pork exporters. On June 5th Mexico added a 10 percent tariff on chilled and frozen pork. Approximately nine days later Mexico doubled that tariff to 20 percent, this followed as a retaliatory action to the tariffs the US set on aluminum and steel. (Jeff Daniels, We are the Casualty, 2018).

Steel and Aluminum are in the list of some of the top exports and imports the US and other countries around the world have. The main reason Donald

Trump has enforced these tariffs on steel is because steel employment has fallen from 650, 000 employees to about 140, 000 since the 1950s. (James McBride, Council on Foreign Relations, Pg. 2). Donald Trump stated, It will be American steel that will fortify Americas crumbling bridges. In doing this, supposedly will bring back many steel and aluminum companies that have set there stone overseas. At the same time other companies such as electronics, will be moving their ways overseas. One of the main ingredients to all farming equipment is steel, and a lot of it. Farming equipment is extremely expensive and accounts for quite a bit of the money that goes into farming. Not only does it hurt the average crop farmers, but businesses such as green houses and livestock farmers. So far, the Trump Tariffs have placed a 25 percent tariff on all steel and 10 percent tariff on all aluminum. (James McBride, Council on Foreign Relations, Pg. 2). Experts say that that previous experience shows that such tariffs will likely fail to revitalize domestic producers while imposing costs on the rest of the economy. (James McBride, Council on Foreign Relations, Pg. 2). These tariffs are connected to a broad range of countries not just a few specific ones. Not only will it fail but it could set off larger trade wars between some the United States biggest allies.

Several large companies have been closing across the U. S. agricultural companies all the way to electronic companies and some construction-based companies. Tv manufacturer Element Electronics announced it was shuttering its plant in Fairfield County, South Carolina, in response to Trumps Tariffs on Steel and Aluminum imports. (Ryan Bort, Rolling Stone, Pg. 2). When companies like this close it has an immense negative impact towards the foundation of the cities the companies are located in. Another example

of this situation would be Mid-Continental Nail, although this company didn't shut down it is in fear of a short coming. Mid-Continental Nail, the nation's largest nail manufacturer, was devastated when Trump lifted the tariff exemption for Canada, Mexico, and the EU in May. The company relied on steel imported from Mexico and was forced to raise prices after the tariff was imposed. (Ryan Bort, Rolling Stone, Pg. 3). Sen Claire McCaskill stated, It's time to end this reckless trade war that has put so many Missourians' likelihoods at stake we've already seen 60 jobs lost here in Poplar Bluff, and without any action by the administration, well lose hundreds more.. (Ryan Bort, Rolling Stone, Pg. 3). It is truly amazing the impact that tariffs on a few of the basic products that we import, and export can have on every single person in the U. S. in some form of another every person is connected to the tariffs.

The trump tariffs were placed on specific goods to try to convince companies to bring back their business to the US. Trump believes that it will boost our economy in the long run, but what they don't care or realize is what it does to us in the short run. Tariffs like this put companies that have been working so hard to go out of business. one of the most important parts of our future, which is farming, is greatly impacted in a negative way. We will not survive if farming is crushed down. There is roughly 7. 5 billion people in this world that we already cannot feed. More than 800 million people are malnourished. Another two billion are short of essential micronutrients. By the year 2040 it is estimated that we are going to have to feed 9 billion people. (Simon Worrall, National Geographic, pg. 1). The only way we can feed all these mouths is by preserving and helping the farming communities whether the

farms are large or small. The Trump tariffs are extremely bad for our communities and trading agreements, which account for a lot of the governments income, and poses a threat to our future and well-being.