Congress of the United States

Washington, DC 20515

March 4, 2025

The Honorable Jamieson Greer Ambassador U.S. Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Greer:

We write to express our serious concerns regarding the Administration's proposed 25 percent tariffs on Mexico and Canada and the devastating impact it will have on Virginia's agricultural sector. This ill-advised blanket tariff policy would have severe economic consequences for Virginia's farmers and agricultural sector, many of whom rely heavily on international markets to sustain their farming operations.

In 2023, Virginia's agricultural and forestry exports exceeded \$3.6 billion, with key markets including China, Canada, the United Kingdom, and Taiwan. Canada alone accounted for \$429 million of these exports.¹ According to the Virginia Department of Agriculture and Consumer Services, imposing tariffs on major U.S. trading partners would significantly impact Virginia's soybean, pork, poultry, and tobacco exports. These figures represent more than just numbers; they reflect the livelihoods of thousands of farmers and businesses across the Commonwealth.

Policies that restrict access to international markets or lead to retaliatory tariffs could devastate these industries. Past experiences demonstrate the risks: for example, when China and Mexico imposed retaliatory tariffs on U.S. goods during trade disputes in 2018 and 2019, American farmers faced significant losses. These tariffs increased the cost of U.S. products abroad, reducing their competitiveness and resulting in a \$27 billion decline in U.S. agricultural exports over two years. In Virginia, the losses were significant, with Virginia farmers losing nearly \$51 million and \$12 million from soybean and tobacco exports, respectively.² While some tariffs have since been lifted, many farmers and exporters are still working to rebuild their market share and recover from the long-term impacts of these trade disruptions.

The effects of such tariffs would be especially dire for family farmers and socially disadvantaged farmers. Family farmers, who often operate on slim margins, are especially vulnerable to price volatility and market disruptions caused by unforeseen trade barriers. These challenges are even more pronounced for socially disadvantaged farmers—particularly those from underrepresented communities—who already face systemic obstacles such as limited access to capital and

¹ Virginia Department of Agriculture and Consumer Services. (n.d.). Virginia agriculture in the global economy. <u>https://www.vdacs.virginia.gov/markets-and-finance-agriculture-facts-and-figures.shtml#:~:text=Virginia%20Agriculture%20in%20the%20Global,Kingdom%2C%20Taiwan%2C%20and%20Belgium</u>

² United States Department of Agriculture, Economic Research Service, *The Economic Impacts of U.S. Tariff Policy on Agriculture: Retaliatory Tariffs Reduced U.S. Exports and Altered Markets*, Economic Research Report No. 304 (2022). https://ers.usda.gov/sites/default/files/_laserfiche/publications/102980/ERR-304.pdf?v=78453.

restricted market opportunities. Tariffs that curtail market opportunities would exacerbate these challenges, potentially driving some farmers out of business and threatening the diversity and resilience of our agricultural sector.

As a state where farming is the largest private industry, providing over 381,000 jobs and producing \$82 billion for the economy, Virginia's farmers depend on fair and open trade policies. Let us be clear: this misguided tariff policy directly endangers their livelihoods.

We strongly urge you to consult with industry leaders and trade experts before implementing any tariffs that could jeopardize the economic well-being of our agricultural sector. Furthermore, we urge you to abandon this shortsighted approach and protect the markets that Virginia's farmers depend on. The stakes are too high for anything less than decisive action to preserve and expand U.S. agricultural trade. Supporting policies that maintain and expand market access for U.S. agricultural products is essential for ensuring the prosperity of farmers across Virginia and the nation.

Sincerely,

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Jernifer L. McClellan Member of Congress

Gerald E. Connolly Member of Congress

Eugene Simon Vindman Member of Congress

Robert C. "Bobby" Scott Member of Congress

Donald S. Beyen Jr. Member of Congress

Suchas Subramanyam Member of Congress