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After Weeks of Near-Record Flooding, Soy-Belt Cities Along the Mississippi River Now Brace for Worsening Tariff Fight

Tariff-Hike planned on Chinese Goods Another blow to Cities and Growers

St. Louis, MO—Ongoing tariff fight that threatens to increase rate from 10 to 25 percent on $200 billion worth of Chinese good adds further stress to an already disaster-weary Mississippi River Commodity Economy.

“We just sustained record flooding in our area and have been managing water above flood stage for over 40 days. This is not the most opportune time to prolong the tariff battle and give our soybean growers more bad news. My state ranks second in U.S. soybean production, with soybeans making up 37 percent of total Iowa crop production. The largest single employer in my area is manufacturing for the agriculture industry,” asserted Frank Klipsch, Mayor of Davenport, Iowa, and Co-chair of the Mississippi River Cities & Towns Initiative.

Half of the top ten soy-producing states in the U.S. are along the Mississippi River including Illinois, Iowa, Minnesota, Missouri, and Arkansas. Not only will additional tariffs directly impact farmers and other facets of agriculture in those states, but also it will impact the nation’s freight industry, as 30 percent of all U.S. soybeans are exported to China.

U.S. agricultural exports to China are critical to the Mississippi River economy, with exports of agricultural products to China totaling $19.6 billion in 2017. China is the largest international destination for U.S. soybeans, importing more than 27 million tons of U.S. soybeans in 2017—30 percent of all U.S. soybean production—and is the second largest ag export market overall for the United States.

“Louisiana has been one of the hardest-hit states from tariffs overall with the vast majority of that impact coming from soybeans; not because we are a top soy-producing state, but because we are the gateway port for that product to the rest of the world, and China is the largest destination. 20 percent of all U.S. imports and exports pass through Louisiana ports. Not to mention that some of our River cities have been battling flooding since early November” said Lionel Johnson, Mayor of St. Gabriel, Louisiana, Co-chair of the Mississippi River Cities & Towns Initiative.

Agriculture is the third largest economy on the Mississippi River, generating $33 billion in annual revenue and directly supporting 192 thousand jobs in the Mississippi River Valley alone. And, Mississippi River cities are sustained in part by several sectors of the economy that feed into commodity production, including shipping and manufacturing.

Both MRCTI and the ASA urge the Administration to rapidly conclude negotiations with China, including lifting the existing Section 301 tariffs in exchange for China removing its retaliatory 25 percent tariff on U.S. soybeans.
“Here in Rock Island, IL we are surrounded by soybean production. My state is number one in U.S. soy. Our grain exports have grown over time to the heights they enjoy today. I support measures to win better trade deals for the U.S., but I think we’ve been patient with the administration; and, we’re going through a record-flood which adds insult to injury,” stated Mayor Mike Thoms of Rock Island, Ill.

The U.S. is the largest producer of soybeans in the world, and China, the nation’s top soybean purchaser.

“This is a predicament for soy growers,” said Davie Stephens, a grower from Clinton, Ky., and president of the American Soybean Association (ASA). “We understand that Mr. Trump and his Administration have broad goals they want to achieve for our country, but farmers are in a desperate situation. We have growers that have been and will continue to be underwater for weeks from flooding. We don’t need an escalating tariff dispute to make things worse for us.”

Mayors stand ready to work together on achieving better, more sustainable trade outcomes for Mississippi River Corridor industries.

“Missouri is the sixth largest soy-producing state and my city of resides next to one our state’s largest ports, Southeast Missouri Port. My region has the largest soy production in bushels for Missouri. I support a better trade deal for our country, but we have to keep our preeminence in the global commodity supply chain whole,” explained Bob Fox, Mayor of Cape Girardeau, MO.

Mayor Phil Stang of Kimmswick, MO elaborated further: “Ultimately, people’s livelihoods are on the line. I suppose I would like the administration to hear from us that there is a nuance to these negotiations that has an exponential impact on the ground. If you’re going to take a tough line with China for American interests, fine, we can get behind that, but there are impacts to real folks on the farm and on Main Street USA that need to be treated with the utmost care.”

The Mississippi River Cities & Towns Initiative is comprised of 85 mayors and the association represents cities on the main stem Mississippi from Minnesota to Louisiana. More information can be found on our website at www.MRCTI.org

About the Mississippi River
The Mississippi River is critical natural asset. As the ecological linchpin to the 31-state Mississippi River Basin, the River supports the most agriculturally productive region on the planet; creates nearly $500 billion in annual revenue; provides drinking water for more than 20 million people; transports 40 percent of the nation’s agricultural output; and directly supports more than one 1.5 million jobs.

The American Soybean Association (ASA) represents all U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state associations representing 30 soybean producing states and more than 300,000 soybean farmers. More information at https://soygrowers.com/. More information is available at www.mrcti.org. Contact: Jim Gwinner JGwinner@LS2Group.com, 314-791-2774

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