



### SITUATION:

President Trump reinstated tariffs on steel and aluminum to take effect March 12, 2025. These tariffs include a 25% duty on both steel and aluminum imports. The U.S. steel tariffs will impact all exports of steel to the United States.

**Here are the major exporters:**

- Canada
- Mexico
- Brazil
- China
- South Korea
- Germany

## Floral, fresh fruit and vegetable industries:

### Steel and aluminum are essential materials for agricultural equipment and infrastructure including:

- Tractors
- Irrigation systems
- Storage facilities like barns and silos
- Harvesting equipment like tractors
- Greenhouses
- General operation equipment like forklifts

### Higher tariffs on these metals can lead to increased costs for farmers, which may be passed down the supply chain.

- 1. Steel and Aluminum Costs:** As of February 2025, the price of steel rebar is around \$446.03 per metric ton, and aluminum is about \$1.21 per pound. Tariffs can increase these prices by 25% or more, depending on the specific tariff rates and market conditions
- 2. Impact on Equipment Prices:** Farm equipment, such as tractors and harvesters, heavily relies on steel and aluminum. The increased cost of these metals can lead to a significant rise in the overall price of the equipment. Estimates suggest that the cost of farm equipment could increase by 5-10% due to these tariffs.

### The United States imports farm equipment from:

- China
- Germany
- Belgium
- Canada
- Netherlands

These countries provide a range of equipment, from tractors and harvesters to irrigation systems and other essential farm machinery.

The United States is also a significant exporter of farm equipment.

### U.S. manufacturers export a wide range of agricultural machinery, including tractors, harvesters, and irrigation systems, to:

- Canada
- Australia
- Mexico
- Germany
- Brazil

Other countries may impose retaliatory tariffs on U.S. agricultural products, including fruits and vegetables. This can reduce export opportunities and revenue for U.S. farmers, making it harder for them to compete in the global market. The combined effect of higher equipment costs and reduced export opportunities can squeeze profit margins for farmers. This may result in higher prices for consumers or reduced investment in farm operations, impacting the overall efficiency and productivity of the agricultural sector

A secure and sustainable food supply – domestic and worldwide – thrives with strong and reliable access to global markets. Targeted use of tariffs can be a tool for addressing challenges or inequities between trading partners. However, the broad application of this blunt tool often disrupts markets, increases costs for consumers, and places unnecessary strain on growers and producers across the supply chain. This is particularly concerning as countries grapple with inflationary pressures, supply chain vulnerabilities, and economic uncertainty. Rather than imposing sweeping tariffs that disrupt trade and limit opportunities, IFPA advocates for swift and meaningful regulatory relief and reform as the most effective way to support and strengthen agriculture. We look forward to working with the Trump administration to advance policies that empower growers, expand market access, and ensure a competitive, resilient agricultural sector that benefits producers and consumers.

**IFPA invites you to participate in industry advocacy efforts to influence trade policies and support measures that benefit the produce and floral industries. The Washington Conference is the premier event that unites all segments of the fresh produce and floral industry to address the most pressing public policy matters with the US Congress and Administration.**

