



# USTR'S PROPOSED SEC. 301 PENALTIES

A threat to U.S. agriculture's export competitiveness

[www.ngfa.org](http://www.ngfa.org)

## OVERVIEW

Though well intentioned, a new government trade proposal designed to boost U.S. shipbuilding threatens to impose significant costs on U.S. grain and oilseed exporters and erode America's competitiveness in the international market.

The U.S. Trade Representative (USTR) seeks to penalize Chinese maritime vessels in connection with a Section 301 trade investigation targeting China's control over shipping and shipbuilding. The proposal would levy steep port fees and export restrictions on carriers using Chinese-made ships.

If enacted, it would effectively eliminate nearly half of the global dry-bulk vessels needed to export approximately 25% of the grains and 40% of the oilseeds that America produces but cannot sell domestically.

Added shipping costs from U.S. ports would give international competitors a considerable advantage for grain and oilseeds. In fact, market disruptions and lost sales are already occurring.

NGFA supports efforts to spur U.S. shipbuilding but opposes the proposal, as written, because it will cede valuable markets to foreign suppliers and ultimately harm the rural economy.

## BY THE NUMBERS

- Grain/oilseed exports add \$174B to U.S. economy; 450,000 jobs.
- U.S. grains and oilseeds had a \$65B trade surplus in 2024.
- 50% of the world's bulk fleet is Chinese-built; just 0.2% is U.S.
- Chinese-made ships would face fees up to \$1.5M per entry.
- Added costs of \$0.50 to \$1.25 per bushel on most shipments.

## NGFA POSITION

NGFA opposes USTR's proposed Section 301 export penalties, as currently written, and is seeking an agricultural exemption. NGFA supports incentives that encourage U.S. maritime competitiveness, such as shipbuilding grants, tax credits, and the removal of onerous regulations.

## NGFA MEMBERS

- Handle U.S. grains and oilseeds in domestic and export markets.
- Encompass all sectors of the industry and represent small and large companies, privately owned businesses and cooperatives.
- Include country elevators, feed mills, export elevators, cash grain and feed merchandisers, commodity futures brokers and commission merchants, end users of grain and grain products, and allied industries.

## NGFA MISSION

Advocate a global open market environment to efficiently produce and provide a safe, abundant, affordable, sustainable and wholesome supply of grain, oilseeds, feed and related products responsive to market demand.

## MAX FISHER

NGFA Chief Economist and Treasurer  
[mfisher@ngfa.org](mailto:mfisher@ngfa.org)  
 (913) 449-0140