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TO: Kailee Buller, United States Department of Agriculture
Courtney Knupp, United States Department of Agriculture
Adam Donoho, National Economic Council
Luke Garoufalis, Executive Office of the President
Marshall Stallings, Office the United States Trade Representative

Subject: Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance.

Reference: USTR-2025-0002

Ladies and Gentlemen,

I write concerning the proposed action published by the Office of the United States Trade Representative (USTR) concerning a proposed action on Chinese shipbuilding subsidies.

The Agricultural Retailers Association (ARA) is a national trade association representing the companies who serve and supply America's farmers. ARA members are trusted advisers who help farmers achieve their productivity, sustainability and efficiency objectives through scouting, soil testing, precision agriculture, product recommendations, product sales, custom application and several other essential services. Our membership is comprised of family-owned private businesses, publicly-traded companies, private corporations and cooperatives — all with locations and people throughout the agricultural lands of rural America.

The financial health of agricultural retailers is inextricably linked with the prosperity of their farmer customers. Therefore, unfettered access to multiple sources of supply for fertilizer, seed and pesticide products is essential. In many cases these products are not produced domestically and are only available from offshore sources. In some parts of the United States, internal freight costs can make imported fertilizer a more economical option. Access to export markets for farm commodities is vital for domestic farm producers and the retailers who serve them.

The proposed action to counteract Chinese shipbuilding subsidies threatens to significantly disrupt global supply chains on both the import and export sides of the domestic agriculture trade equation.

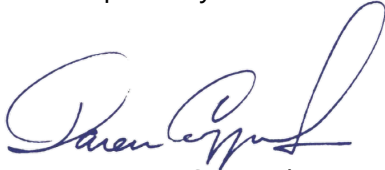
If the United States imposes stackable fees of \$1 million or higher on each Chinese-built vessel each time it calls at a U.S. port, the results will be predictable: (1) U.S. commodity prices to farmers will decline sharply to retain our competitiveness; (2) Other nations' agricultural exports will become more competitive as they do not incur this cost; (3) These vessels will not call at secondary ports – e.g. a vessel that calls in Los Angeles will not also make a stop in Oakland; and (4) Owners of vessels subject to the fees may refuse to book freight into or out of U.S. ports altogether. The Proposed Action also envisages applying fees to operators that have placed orders for new vessels from Chinese shipyards. It is unclear how that would be monitored and enforced.

In the current environment of unpredictable tariffs, imposing fees that would render half of the global bulk vessel fleet unavailable to U.S. farmers and agribusiness would be catastrophic. If the goal is re-shoring shipbuilding to the United States, it would be far better to address the domestic obstacles that raise the cost of shipbuilding and to pursue a trade case in the WTO against the Chinese subsidies. The action, as proposed, would land costs on the shoulders of farmers. Forcing U.S. agricultural trade onto transportation options, which are scarce and more expensive, is not a path to making American exports more competitive.

If the Administration intends to proceed with the Proposed Action, we request that agricultural input ingredients (fertilizer products, pesticide ingredients, etc.) and U.S. agricultural product exports be exempted from the requirements. ARA does not dispute the intent of the Administration to prevent the government of China from dominating this sector through subsidies, nor do we deny the investigation's findings. Our concern arises from the practical consequences of implementing the proposal as originally crafted.

Thank you for your time and attention to this important matter. We would be happy to visit with you further should you have questions or desire more information.

Respectfully Submitted,



W. Daren Coppock
President & CEO
Agricultural Retailers Association