

FACT SHEET ON TARIFFS

Updated: April 10, 2025

On April 9, 2025, U.S. President Donald Trump announced in a <u>Truth Social post</u> that tariffs on Chinese exports to the US will increase an additional 125% for an effective tariff rate of 145% on many goods. Country-specific reciprocal tariffs on the 57 countries announced on <u>April 2, 2025</u>, will be <u>paused for 90</u> <u>days</u> to give room for bilateral negotiations, however the 10% baseline tariffs on all countries remain in effect.

- On April 2, 2025, President Trump issued an executive order imposing
 - 1) A 10% baseline reciprocal tariff on nearly all U.S. trading partners, effective April 5.
 - 2) **57 countries will be subject to country-specific reciprocal tariff** levels, postponed 90 days until July 9. 2025—details on country-specific tariffs.
- Goods compliant with the U.S.- Mexico- Canada Agreement (USMCA) will continue to receive preferential treatment and are exempt from the baseline reciprocal tariffs. Specialty crops are covered under USMCA, which exempts produce from duties, so **no reciprocal tariffs apply to specialty crop (e.g., fresh produce) products from Canada and Mexico.**
- **NOTE:** The baseline and county-specific *Reciprocal tariffs are <u>NOT</u> additive*.
 - 1) Effective April 5, nearly all countries will pay a 10% baseline reciprocal tariff.
 - 2) On April 8, 2025, the 57 countries with specific reciprocal tariffs have been paused for 90 days.
 - 3) However, the reciprocal tariffs are additive for some pre-existing tariffs under other authorities such as tariffs on steel, aluminum, and automobiles, which remain in place. Consult with a customs professional or legal counsel to determine these impacts.
 - 4) More information from U.S. Customs and Border Patrol (CBP) can be found <u>here.</u>
- De minimis treatment is eliminated for all low-value imports from China and Hong Kong, effective May 2. Therefore, products valued at \$800 or less will be inspected and subject to a tariff upon entry into the U.S. as <u>updated</u> on April 9, 2025.

<u>Summary</u>

President Trump's recent executive order, known as the Reciprocal Tariffs Executive Order, imposed a 10% baseline reciprocal tariff on nearly all U.S. trading partners, effective April 5. An <u>additional reciprocal</u> tariff set to be imposed on 57 countries, effective April 9, were postposed for 90 days on April 9, 2025. President Trump invoked the International Emergency Economic Powers Act (IEEPA) to justify the imposition of these tariffs.

The remaining top trading partners, Canada and Mexico, are exempt from reciprocal tariffs. The preexisting 10-25% tariff on goods from Canada and Mexico remains in effect for some products. However, *goods subject to the U.S.- Mexico- Canada Agreement (USMCA)* will continue to receive preferential treatment and remain *exempt from the new tariffs. Specialty crops, including fresh produce, are USMCAcompliant and exempt from duties.*





The pre-existing Section 232 tariffs remain in effect, encompassing a range of items across various categories, with <u>specific products exempted</u>. Notable exemptions include pharmaceuticals and certain chemicals, such as those used in pesticides and crop inputs; semiconductor products; and minerals, including copper, gold, and rare and critical minerals that are not domestically produced, as well as products used for fertilizers and crop inputs.

Additionally, President Trump took action to eliminate de minimis treatment for low-value imports. Through a separate <u>executive order</u>, he ended de minimis treatment for imports from China and Hong Kong, effective May 2. The termination date for de minimis treatment for low-value imports from other countries will be determined later.

<u>China</u>

Between April 2 and 9, 2025, tariffs on Chinese exports (including from Hong Kong and Macau) to the U.S. were increased from 34%, 84% and finally 125%, for an effective tariff rate of 145% on many goods.

In response, China raised tariffs proportionally and <u>announced</u> on April 11, that it would impose retaliatory tariffs of 125% on U.S. exports effective April 12, 2025.

In 2023, bilateral trade in fruit was worth over \$1 billion (USD) and bilateral vegetables trade was worth nearly \$700 million (USD). For more information on US-China bilateral trade please see IFPAs <u>overview</u>.

European Union (EU)

On April 9, 2025, the European Union's Member States in the Council of the EU <u>approved</u> commercial rebalancing measures against the U.S. in response to the U.S. announced tariffs on April 2, 2025. The EU's tariffs on U.S. goods cover broad product categories including coffee, ice cream, soybeans, rice, spices, and some <u>fresh produce and nuts</u>.

The EU retaliatory tariffs were set to phase in starting on April 15, 2025, but were <u>postponed for 90 days</u> by the European Commission to allow time for negotiations with the U.S.

IFPA continues to advocate that fresh produce and floral should be excluded from any new tariffs and countermeasures and <u>submitted formal comments</u> to the EU in March 2025.

