March 24, 2025

The Honorable Jamieson Greer
Ambassador
Office of the United States Trade Representative
600 17th St., N.W.
Washington, DC 20508

Subject: Section 301-China-Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance

Re: Docket No. USTR-2025-0003

Dear Ambassador Greer:

The National Corn Growers Association appreciates the opportunity to comment on the above referenced proposal published in the Federal Register on February 27, 2025. These comments seek to provide information on the impacts the proposal will have on impacts to U.S. corn growers.

Founded in 1957, NCGA represents more than 36,000 dues-paying corn growers in 48 states, and the interests of more than 300,000 farmers who contribute through corn checkoff programs in their states. NCGA and its affiliated associations in 27 states work together to help protect and advance corn growers' interests.

The United States is consistently the top corn exporter worldwide with capacity to offload more grain to potential customers overseas. Corn exports are vital to the income and economic health of US corn growers, with exports contributing around 33% of their income and supporting nearly one million American jobs. Additionally, transportation methods for carrying corn to market, including bulk grain transportation, are crucial to accessing global customers and keeping American growers competitive compared to the rest of the world. We appreciate the Administration's attention to enhancing the U.S. shipping industry and increasing the number of American-made ships and want to share corn growers' perspective regarding potential effects on the farm economy.

Of the 2.46 billion bushels of corn exported in 2024, 1.65 billion bushels were inspected for export at the Gulf and Pacific Northwest ports. This means 2/3 of U.S. corn exports are subject to the proposed fees. Bulk shipment vessels carrying corn generally transport between 2.4 and 3.0 million bushels. If these measured are implemented, U.S. corn could face higher costs of thirty cents to over sixty cents per bushel. That translates to 14% higher costs from current price levels, not accounting for potential stacked fines. The added cost has the potential to reduce U.S. corn exports and impede market access. If exports continue, farmers are likely to bear the economic burden of the increased transportation costs.

Corn farmers are currently facing numerous challenges in the farm economy, including rising input costs, volatility in commodity prices, and stagnant market access opportunities. Adding further financial strain through higher transportation costs could result in more instability for our members, particularly those who depend on global export markets to remain competitive.

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The proposed fees are expected to increase the cost of transporting bulk grain, which includes corn. According to a Market Intel by the American Farm Bureau Federation, "…bulk agricultural exporters could face an additional $372 million to $930 million in annual transportation costs."[1] American farmers are price takers, not price setters, and those transportation increases will undoubtedly be passed along to the corn farmer. This comes at a time when corn farmers are already facing significant economic challenges; 2025 is projected to be the third consecutive year of negative returns for corn driven by an expected 36% drop in average corn price since 2022. Inflated shipping costs will place an additional burden on our growers. Added costs don't just burden farmers, it also affects the competitiveness of U.S. corn and other products in the global market.

While the NCGA supports initiatives to strengthen American manufacturing and shipbuilding capabilities, we propose an exemption for bulk grain shipments. Bulk grain exports are a tremendous win for the American economy. The United States currently exports $66 billion in bulk grains and oilseeds and only imports $1 billion. This provides for a net trade surplus of $65 billion. Additionally, USTR's proposal could potentially eliminate half of the global dry-bulk vessels needed to transport 2,000 shipments of agricultural exports per year – approximately 20% to 25% of the corn that America grows but cannot sell domestically. Any detriment to U.S. bulk grain exports is disadvantageous to the American economy, and a bulk grain exemption could save farmers the burden of increased transportation costs.

We appreciate the Administration's focus on farmers and agriculture communities and ask that the Administration consider the unintended impact that these proposed fees may have on the agricultural sector. We recommend that any new fees be evaluated for their impact on the agriculture economy. While we understand the broader strategic goals of these policies, we ask that the timing be revisited, and that the concerns of corn farmers be examined as any changes are finalized.

Thank you for your consideration of our concerns. We welcome the opportunity to discuss this issue further and work together to find solutions that support the growth of American corn farmers and the overall economy.

Sincerely,

Kenneth R Hartman Jr

Kenneth R. Hartman, Jr.
President
National Corn Growers Association

[1] https://www.fb.org/market-intel/farmers-caught-in-crossfire-of-chinese-ship-fee-fight

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