National Pork Producers Council
122 C Street, NW, Suite 875
Washington, DC, USA 20001

March 24, 2025

Office of United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

**Dear Acting U.S. Trade Representative Juan Millan,**

NPPC welcomes the opportunity to provide comments on the Office of the United States Trade Representative's Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance. This submission is in response to the Federal Register Notice Document No. USTR-2025-0002. We write to express opposition to the proposed actions targeting China's maritime, logistics, and shipbuilding sectors due to the significant negative collateral damage that the proposed actions will have on U.S. pork exports.

NPPC represents 41 state producer organizations and the domestic and global interests of more than 60,000 U.S. pork operations. The U.S. pork industry is a major value-added enterprise in the U.S. agricultural economy and a significant contributor to the overall U.S. economy, producing nearly 28 billion pounds of high-quality, safe, and affordable pork in 2024. More than 570,000 American jobs are supported by U.S. pork production, and U.S. pork exports sustain more than 140,000 of these jobs. In any given year, the U.S. pork industry ships product to more than 100 countries. Exports contribute significantly to the bottom line of all U.S. pork producers, accounting for more than $66 in value from each hog marketed in 2024. Last year, the U.S. pork industry exported 3 million metric tons of pork and pork products valued at over $8.6 billion. Gaining and expanding access to markets around the world is paramount to the growth of the U.S. pork industry. Pork is one of the largest agricultural exports from the U.S., with markets around the world relying on the high-quality products we produce.

We respectfully urge the Office of the United States Trade Representative (USTR) to reconsider its approach to countering Chinese dominance in global shipping industries, especially the proposed fees on international trade practices. While NPPC is sympathetic to the concerns posed by China's actions targeting the shipbuilding industry, as currently formulated, the proposed actions will serve to substantially drive up the cost of our goods, disrupt our supply chains, and negatively impact U.S. pork's ability to compete in global markets. These measures would exacerbate existing challenges within the U.S. pork industry and threaten the jobs and livelihoods of those who depend on it.

**<u>Impact on U.S. Pork Producers and Exporters</u>**

The proposed fees, which would affect ports and international shipping, could have a devastating impact on U.S. pork exporters. The American pork industry relies heavily on efficient, cost-effective shipping routes to export our products to international markets. The proposed actions would substantially raise shipping costs for U.S. exporters, making U.S. pork more expensive and less competitive globally. Higher costs would lead to reduced exports and lower returns on their products, forcing pork producers to scale back production. This could result in significant financial hardship for many pork producers and workers.

According to an economic study conducted by industry experts Trade Partnerships Worldwide, LLC, the implementation of the proposed fees would have an overall net negative ripple effect on the American economy, especially the U.S. agricultural sector. Each option examined would subtract from U.S. economic growth at a time when the Administration is seeking to increase that growth to an annual rate of 3%. For every remedy option examined, U.S. exports overall would decline, potentially contributing to a worsening of the U.S. trade deficit. U.S. agricultural exports would be particularly harmed due to the price-sensitive nature of these products.

U.S. pork exports could be reduced by a substantial margin, especially to key markets such as China and Japan. Estimated annual losses in pork export income could be as high as 6% when factoring in all the potential fees and actions proposed in the notice. The loss of these markets would have a direct impact on farm income, leading to reduced profitability and potential job losses in rural communities. The U.S. pork industry competes in a global marketplace where price competitiveness is key. The imposition of these fees would drive up transportation costs, eroding the competitiveness of American pork and other agricultural products. Countries that traditionally rely on U.S. pork, such as Japan, could turn to other suppliers, potentially leaving the U.S. out of key markets.

American pork exports would no longer be the most affordable or efficient option for global consumers, which could significantly harm our industry's long-term growth and expansion. In turn, this would hurt the broader U.S. economy by reducing demand for American-made goods and services.

Small- and medium-sized pork producers, who rely on access to global markets for their products and have exposure to cash markets could be disproportionately affected by the impact of these fees, potentially putting them out of business.

**Supply Chain Disruption**

The proposed fee structure would likely result in the diversion of international shipping traffic to foreign ports in our region, such as those in Mexico and Canada. If U.S. pork exporters could reliably access these ports and the available ships, which may not be feasible in practice for a variety of reasons, it would add costly land-based transportation (trucks and rail) to move goods into foreign markets. This shift would be detrimental to our nation's agricultural supply chain, especially in the pork sector, which depends on timely delivery to international consumers and a strong cold chain that supports the efficient delivery of the product.

As U.S. pork producers face more expensive and inefficient transportation options, the resulting delays and added costs would weaken our competitive position in the global marketplace. Furthermore, fewer ships would call at smaller and medium-sized ports in the U.S., further isolating rural pork producers from global trade networks and making it even harder for them to access lucrative international markets.

The proposed measures may also undermine years of investment in U.S. ports, infrastructure, and shipping capacity to promote U.S. pork exports, especially in the cold chain. Many of these investments, including efforts to upgrade port facilities and equipment, were made with the goal of increasing the efficiency and competitiveness of U.S. exports. However, the imposition of fees would limit the effectiveness of these investments and reduce their return, potentially resulting in lost jobs and decreased revenue for our ports and the surrounding economies that depend on them.

Moreover, the broad scope of the proposed fees would fail to effectively target the root cause of the problem—Chinese dominance in global shipbuilding. The U.S. pork industry needs fair access to international markets, and punishing global shipping with blanket fees will not solve the underlying issues facing the U.S. maritime industry or reduce reliance on Chinese shipyards. Instead, it will only hurt U.S. producers and exporters.

**Conclusion**

The U.S. pork industry is an integral part of the U.S. economy, supporting hundreds of thousands of jobs and generating billions in economic activity. Any proposals aimed at bolstering U.S. industry must consider the needs of exporters and the critical importance of international trade. While we support measures that strengthen American agriculture and address unfair trade practices, these proposals regarding China's shipbuilding practices will not achieve their intended goals and will only harm U.S. pork producers.

Instead of imposing additional fees that will harm U.S. agriculture, we urge USTR to consider targeted solutions that encourage investment in domestic shipbuilding and strengthen U.S. ports while also protecting American farmers and ranchers. We are committed to working with USTR, the White House, and Congress to find mutually beneficial solutions that enhance U.S. global competitiveness and support American jobs.

Thank you for your attention to this critical matter. We look forward to further discussions and collaboration to safeguard the interests of American pork producers.

Sincerely,

Maria C. Zieba
Vice President of Government Affairs
National Pork Producers Council