



MEMORANDUM

TO: AMERICAN PECAN COUNCIL BOARD OF DIRECTORS

FROM: ALEXANDER OTT, EXECUTIVE DIRECTOR

RE: U.S. & CHINA TARIFFS

DATE: JULY 6, 2018

As you may know, duties on Chinese goods started at 12:01 a.m. today. Reports show that U.S. Customs will begin collecting an additional 25 percent on a host of Chinese goods. As a result, China has indicated that they are ready to implement their tariffs on U.S. goods. A list of the potential items was released by China last month. Several nut products were on the list, including pecans. Once fully implemented, U.S. pecans will have a 47% tariff when exporting to China. In addition, China announced tariff reductions for Asia-Pacific Agreement (APA) Members for 144 commodities that are similar or related products that the U.S. is now facing increased tariffs. Pecans and nuts are part of the reduced tariffs for the APA Members.

On a side note, other countries have taken similar positions on retaliatory tariffs. On July 5, 2018, Mexico imposed phase two of its retaliatory tariffs. Currently, Mexico lists “Mixtures of edible Nuts Or Dried Fruits”, and “Nuts & Seeds Nes Incl Mx; Only: Roasted Excluding Almonds, Pecan Nuts, Cocon”. Pecans are not listed at this time.

Lastly, Canada has implemented their tariffs beginning July 1, 2018, and the European Union have published their list of potential tariff retaliation. Pecans are not listed at this time.

It should be noted that these lists are changed and updated from time to time. The American Pecan Council will continue to update the industry on the trade situation and as information becomes available. Should you have any questions, please do not hesitate to contact the Council office at (817) 916-0200.