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Cooperative Extension Service

Farm Update

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AGRICULTURE & NATURAL RESOURCES
EDUCATION
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**The Tariff Cost to Agriculture**

Great effort has been made to inform the public about tariffs. Their purpose and advantages. Their disadvantages. Tariffs on imported items that are also produced in the U.S. certainly increase the price competitiveness of American-made items. Prices of imported items must be increased to pay for the tariff tax. Unfortunately, Agriculture is the loser in a tariff trade war, as Dr. Grant Gardner, UK Extension Agricultural Economist, explains in the following article. The US exports a massive surplus of agricultural products each year, making it an easy mark for tariffs. This increases the price of US commodities in the world market, which decreases demand for US commodities in the world market.

Tariffs are a government tool used to raise the price of foreign products, encouraging consumers to buy domestically produced goods. They serve multiple purposes, including protecting domestic industries from foreign competition, generating government revenue, and responding to unfair trade practices. While tariffs may seem beneficial by offering protection, generating revenue, or as a negotiating tool for broader policy issues, they create winners and losers. When the US imposes tariffs, other countries often retaliate, targeting US industries reliant on exports. In many cases, our agriculture bears the brunt of these actions.

As of March 15, the US has enacted tariffs on Canada, Mexico, China, and the European Union—nations that collectively purchase nearly 54% of US corn exports, 62% of soybean

exports, and 24% of wheat exports (2020–2024 average). Additional tariffs have been proposed against Japan, which accounts for 18% of US corn exports, 4% of soybean exports, and 10% of wheat exports. As retaliatory tariffs take effect, US commodities become more expensive internationally, reducing exports and increasing domestic supplies, which drives domestic prices down. While these countries may not stop purchasing US crops entirely, they are likely to shift demand toward competing suppliers such as Brazil, Argentina, and the Black Sea region.

Regardless of political perspective, tariffs disrupt free trade, undermining comparative advantage and efficiency. For example, the US holds a comparative advantage in corn production relative to Canada, while Canada holds a comparative advantage in potash production. When tariffs are imposed, our exports slow down, and the supply of US corn rises, pushing prices lower. Meanwhile, retaliatory tariffs restrict access to efficiently produced Canadian goods, such as potash, causing their US prices to increase. While tariffs may provide short-term benefits to certain industries and could serve long-term policy goals, their immediate impact on US agriculture is overwhelmingly negative.

**Slug Watch**

Slugs are a challenge in soybeans emerging in no-till conditions. Air temperatures during the winter of 2025 were wetter and colder than 2024. In 2024, slug eggs, immature stages, and adults were observed in fields at the Research station from January to April, but slugs were not observed in many fields scouted at the station this spring. Despite fewer findings, it is impossible to predict slug and snail outbreaks and why it is important to monitor these pests. Several molluscicides are registered in Kentucky. The 4% metaldehyde baits, such as Deadline MP or Slugger Ultra, have proven effective in reducing populations during corn and soybean

germination. These baits can also be used after planting if slugs invade an emerging field of soybeans. The 25% sprayable metaldehyde products are not recommended as they require contact between the product and the target organism to be effective. Since slugs hide during the day and feed at night, this requires application during nighttime hours.

If you are no-tilling soybeans, one thing is certain to reduce stand loss from slugs. Soybeans must be planted in the soil with the seed trench closed above them. Heavy corn residue has been known to reduce the seeding depth, even with the best planter down pressure systems. Likewise, annual bluegrass, excessive soil moisture, or corn residue can prevent the rear wheels from closing the seed trench. Shallow seed and an open seed trench are a buffet for slugs. Soybeans fed on soon after germination are less likely to survive than soybeans that are established and growing fast at emergence. I often find the difference in replanting or keeping a slug-damaged soybean field is if the seed trench was open or closed when the feeding occurred.