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## **ABAG STATEMENT**

### **Imposition of U.S. Trade Tariffs on Brazil and Other Countries**

The Brazilian Agribusiness Association (ABAG) is concerned about the additional tariffs imposed on Brazil and other countries as announced by President Donald Trump. Forced restrictions on trade flows which are incompatible with the multilateral rules of the World Trade Organization (WTO) tend to slow down the global economy and raise the cost of living for citizens. The negative impact is even more severe when it affects the agricultural sector, which is responsible for the food security of billions of people across all continents.

The adequate supply of food at fair prices is only guaranteed through facilitated global supply chains, unobstructed trade channels, and the flexibility necessary to meet changing demands in various geographies.

Additional tariffs of 10%, the minimum level established by the White House Executive Order, will be applied to Brazilian products destined for the U.S. market. Even higher tariffs will be levied on goods from many other countries. This will intensify inflationary pressures and hinder economic growth affecting not only the U.S. but the global economy as a whole.

Brazilian agribusiness, in all its aspects, is responsible for supplying commodities that feed Brazil and nations around the world, with high standards of quality and safety, as a result of production techniques that relentlessly pursue innovation, productivity, and sustainability. This role and performance should not be underestimated.

In light of the challenges arising from the immediate implementation of additional tariffs, the national agricultural sector will be prepared to overcome obstacles and seize opportunities that arise in this new scenario. We will see a profound reorganization of production chains and supply routes. Diversification and the opening of markets, whether new or traditional, should be priorities for the Brazilian government, which can count on the commitment and support of Agribusiness in these efforts.

ABAG expects the government to adopt a firm diplomatic strategy in response to the additional tariffs, avoiding short-term reactions and preserving the country's long-term interests. In this context, Bill 2.088/2023, currently in progress in the National Congress, is welcome as it provides the necessary legal basis for potential responses to arbitrary and abusive policies adopted by foreign governments that undermine our production system.

Brazil can rely on agribusiness, the central pillar of our society, to offer not only economic stability and strength but also food security, quality of life, qualified jobs, cutting-edge technology, and biocompetitiveness for development across all segments of the sector.