

Trade and Tariff Authority

Key Takeaways

- Congress is currently considering legislation which seeks to reassert their constitutional authority over U.S. trade policy, specifically regarding the imposition of tariffs.
- American Farm Bureau Federation (AFBF) is seeking member input on policy related to trade and tariff authority. As a result, Tennessee Farm Bureau Federation (TFBF) is requesting review and guidance on state policy regarding trade and tariffs.

Questions

1. Should the President have unilateral authority to implement tariffs?
2. Does TFBF/AFBF need more explicit policy on what branch of the government has jurisdiction over tariffs?
3. What does a check and balance system between the legislative and executive branch look like when making decisions on tariffs?

Background

The Trade Review Act of 2025, S. 1272 and the companion, H.R. 2665 seeks to reassert Congress' constitutional authority over U.S. trade policy, specifically regarding the imposition of tariffs. The bill would require the executive branch to obtain congressional approval for new tariffs or increases in existing tariffs. Scan the QR to read S. 1272.

Sponsors of the legislation argue Congress has historically delegated much of its constitutional authority to regulate interstate and foreign commerce to the executive branch. The intentions of the proposed legislation are to provide a “check” on the executive branch’s ability to unilaterally impose tariffs, ensuring trade policy is more transparent and subject to greater scrutiny. Some elected officials have raised concerns regarding the presidential use of tariffs can lead to increased costs for American businesses and consumers, harm international trade relationships, and create economic uncertainty.

Provisions of the bill include mandating the President notifies Congress within 48 hours of imposing *or* increasing a tariff. Congress must then approve the tariff within 60 days via a joint resolution. If Congress does not approve the tariff within the 60-day period, the tariff expires. Furthermore, Congress would retain

Read S. 1272 to learn more:



the authority to end any tariff at any time by passing a resolution of disapproval. This bill does *not* apply to antidumping or countervailing duties.

Potential Impacts

It is perceived the bill could impact prices, trade flows, and economic growth while also risking the alteration of the dynamics of current and potential future U.S. trade relations with other countries. Additionally, shifting more power to Congress reduces the authority the President has over trade policy. Overall, the impact of the bill would vary across different industries, including agriculture, depending on their reliance on imports and exports, and their vulnerability to tariffs. Over time, agriculture has proven to be an industry which often dramatically feels the impact of trade disputes and tariffs; thus, it's expected any action taken by this legislation would impact decisions made on and off the farm regarding marketing of goods.

What Proponents Have to Say

Supporters of the legislation claim the effort restores Congress' constitutional role in trade policy and could lead to more predictable and consistent trade policies. Proponents also claim providing a "check" on executive power prevents the executive branch from unilaterally enacting tariffs which could harm the economy. Requiring the executive branch to justify tariff decisions and allowing public debate also promotes transparency and accountability.

What Opponents Have to Say

Arguments against The Trade Review Act claim the legislation hinders executive action and could limit the President's ability to respond quickly to unfair trade practices or matters of national security. The 60-day window of approval could also create uncertainty for businesses which rely on international trade and may lead to political gridlock which could make it more difficult to enact necessary trade measures. Opponents also warn of the potential risk for increased lobby efforts on matters of trade, saying increased lobby and special interest efforts could turn their attention to seek to influence congressional decisions on tariffs.

Tariffs have the potential to impact farmers' bottom line twice – not only do they end up paying more for inputs, but they also take the brunt of retaliatory tariffs. With over 20% of U.S. agricultural goods exported, tariffs can pose to be a significant consideration for a farmers' ability to turn a profit.

America's farmers lead the world in producing safe, sustainable food, fiber and fuel for consumers at home and abroad. Thus, agricultural trade is critical to our national economy and to the economic sustainability of family farms, but political and non-scientific trade barriers and tariffs restrict farmers' ability to compete in global markets. We rely on robust trade agreements to establish a level playing field for farmers to protect the jobs and businesses agriculture supports in the U.S.

Policy

Tennessee Farm Bureau

Foreign Trade (Partial)

The economic health of every nation depends upon mutually beneficial trade among countries. The U.S. must strengthen monetary and trade policies to promote fewer trade barriers between nations. Increasing international trade, especially in agricultural commodities, will benefit all of us.

Governments, organized labor, and others have restricted or boycotted the export of agricultural products. We oppose such restrictions on agricultural exports. Embargoes damage farmers' confidence in the government, make our foreign customers doubt our reliability, and force foreign buyers to secure supplies from other sources. Lost markets are difficult to regain. We oppose export curtailment by the Department of State for political purposes or Department of the Treasury for banking interests. Such actions cost both producers and consumers. We oppose actions that single out farm commodities as a tool to be used in international disputes.

Many imported items used in farm production are very important to farmers. Some are not available from domestic suppliers. Agricultural imports competing with products domestically produced or placing domestic markets in jeopardy should be dealt with through the U.S. International Trade Commission together with the U.S. Department of Agriculture. Imported agricultural commodities and value-added products should meet the same sanitary and quality standards as domestic products and should be labeled by country of origin.

We urge our negotiators in World Trade Organization (WTO) talks to place agricultural issues at a higher priority. These negotiators should be reporting to Congress and Congress should judge if their efforts have been satisfactory or not.

We urge U.S. trade representatives and USDA to closely monitor and advise American farmers about opportunities that may be created or the possibilities of trade barriers or unfair trade policies in the world market.

Trade is essential to America's economy. Ninety-six percent of the world's population lives outside the U.S.. Trade Promotion Authority (TPA) for the president is crucial in assuring we obtain trade agreements quickly. TPA supplies U.S. trade negotiators with a vital tool in securing a level playing field for U.S. farmers and businesses. It also allows our trading partners to know Congress will vote yes or no on a trade agreement without amending parts of it and sending it back for renegotiation. Without that assurance, foreign governments would not negotiate in good faith and make their best and final offers. We support the continuation of TPA to allow the U.S. to continue aggressively knocking down foreign trade barriers.

America's trade should be fair and honest between foreign markets. However, at the same time negotiations should be firmly in the best interest of United States' businesses.

Farm Policy (Partial)

The effect of world market prices on domestic prices has a major impact on U.S. agriculture. Free access to world markets for agricultural products is essential to the health of our economy. Current efforts should be increased to achieve the expansion and growth of agricultural commodity markets, both domestic and international. We support aggressive efforts (such as Trade Promotion Authority) to obtain access to these markets. The value of the American dollar as related to other world currencies must be considered when striving to achieve a level playing field. Until a level playing field can be established, we support continued funding of various export incentive programs designed to price U.S. commodities more competitively in world markets.

American Farm Bureau

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1. We are strong advocates of fair and open world trade.
2. Aggressive efforts must be made at all levels to open new markets and expand existing markets for U.S. agricultural products.
6. We oppose:
 - 6.6 Tariffs and regulations that would limit supply or increase the prices of agricultural production inputs.
7. Trade Agreements
 - 7.2 We support the trade promotion authority (TPA) for the President of the United States