



TENNESSEE FARM BUREAU FEDERATION

September 10, 2025

Jamieson Greer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Docket ID No. USTR-2025-0043; Initiation of Section 301 Investigation: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anticorruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation; Hearing; and Request for Public Comments

Dear Ambassador Greer:

The Tennessee Farm Bureau Federation (TFBF) represents a diverse group of commodity producers across the state and, with over 690,000 members, is the largest general farm organization in Tennessee. Our policy is developed through a grassroots network of farmer members who identify, research, deliberate, vote on, and adopt policies on various issues. On behalf of our member producers, we appreciate the opportunity to comment in response to the September 3, 2025 hearing on the Initiation of Section 301 Investigation: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anticorruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation; Hearing; and Request for Public Comments. These comments will discuss TFBF's General Trade Principles as well as specific comments addressing *Ethanol Market Access*, *General: Brazilian Beef Impacts on American Beef Production*, and *General: Chinese Investment in Brazilian Infrastructure*.

TFBF General Trade Principles

Trade is essential to America's economy and the economic health of every nation depends upon mutually beneficial trade among countries. 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. Trade is critical to the livelihood of the U.S. agricultural sector because it spurs economic growth for our farmers and their rural communities, especially since 95% of the world's consumers live outside the borders of the United States. More than 20% of U.S. farm income is based on agricultural exports, and it is much higher for many commodities. Expanding opportunities for American crop and livestock producers to access international markets will boost farm income in the U.S., while preserving existing access is critical to maintaining a healthy agricultural economy. U.S. agricultural exports amounted to \$176 billion in 2024, and historically every \$1 of U.S. agricultural exports results in over \$2 in additional domestic economic activity. American agriculture is foundational to the American economy, reaching beyond farms and rural communities to support millions of jobs across the country.

In 2024, the U.S. had an overall \$6.8 billion trade surplus with Brazil, a 12.2% increase from fiscal year 2023.¹ Overall U.S. agricultural exports to Brazil totaled \$912.99 million, making the U.S. Brazil's fifth-largest agricultural supplier. However, the U.S. maintained a \$7 billion agricultural trade deficit in 2024. Farm Bureau supports the Administration in its efforts to ensure fair trade with other nations and increasing access for U.S. farmers to Brazilian markets.

Ethanol Market Access

Tennessee farmers rely on ethanol markets. Additionally, Tennessee ethanol plants also produce valuable byproducts such as dried distillers grain, corn oil, and CO2 gas products. This further diversifies the value chain of corn and provides food and feed products for consumers and farmers. American ethanol production is vital to Tennessee and America farmers by encouraging utilization of locally-produced commodities.

Following the implementation of the Renewable Fuel Standards 2 in 2007, the U.S. experienced tremendous growth within the agricultural sector. U.S. farmers responded to these new market signals by expanding corn and soybean production. For 2025, the U.S. is estimated to produce 15.8 billion bushels of corn, 5.5 billion of which will be used for ethanol. The U.S. is also estimated to produce 4.3 billion bushels of soybeans this year, 2.5 billion of those being crushed into soybean oil. USDA estimates over half of soybean oil produced will be used for biofuels.²

In 2024, the U.S. exported \$52 million worth of ethanol to Brazil, while Brazil exported more than \$200 million worth to the U.S. This is a significant reduction in U.S. export value compared to previous years - \$230 million in 2023, \$137 million in 2022, and \$153 million in 2021. The dramatic shift in exports can be directly attributed to Brazil's unequal tariffs and their own increase in domestic production of ethanol.

U.S. ethanol exports to Brazil began a rapid decline following the 20% import tariff in 2017, continuing through fluctuations and pauses between 2018 and 2023 until Brazil settled on an 18% ethanol tariff in January 2024. These tariffs led to a dramatic shift in export value, totaling \$761 million in 2018 contrasting with only \$53 million in 2024,³ over 94% lower in just six years.

General: Brazilian Beef Impacts on American Beef Production

Cattle farming is an integral part of Tennessee agriculture. Beef cattle are raised in all 95 counties in the state. Tennessee ranked 16th nationally for all cattle and calves at 1,570,000 and 12th in beef cattle at 826,000 head. In 2023, cattle and calves brought in \$876.7 million in cash receipts, resulting in beef cattle contributing an estimated \$1.2 billion in economic activity

¹ Office of the United States Trade Representative. Countries and Regions, Western Hemisphere, Brazil, Accessed on August 6, 2025. Retrieved from <https://ustr.gov/countries-regions/americas/brazil>

² United States Department of Agriculture, World Agricultural Outlook Board. (2025, July 11). World Agricultural Supply and Demand Estimates (WASDE), July 2025 [PDF]. Retrieved from <https://www.usda.gov/oce/commodity/wasde/wasde0725.pdf>

³ Renewable Fuels Association. (February 13, 2025). RFA Thanks President Trump for Taking Action to Counter Brazil Ethanol Tariff, February 2025. Retrieved from: [https://ethanolrfa.org/media-and-news/category/news-releases/article/2025/02/rfa-thanks-president-trump-for-taking-action-to-counter-brazil-ethanol-tariff#:~:text=Cooper%20noted%20that%20U.S.%20ethanol,2024%2C%20valued%20at%20\\$53%20million.](https://ethanolrfa.org/media-and-news/category/news-releases/article/2025/02/rfa-thanks-president-trump-for-taking-action-to-counter-brazil-ethanol-tariff#:~:text=Cooper%20noted%20that%20U.S.%20ethanol,2024%2C%20valued%20at%20$53%20million.)

considering multiplier effects.⁴

Fed steer weights have steadily increased in the U.S., reaching an average weight of 950 pounds per dressed steer, equaling approximately 1,500 pounds live weight.⁵ Heavier weights have helped to offset overall decreased herd sizes, which have reduced by 1% in 2024 compared to cattle numbers in 2023.⁶ This increased weight of cattle means the meat is fatter, creating an increased demand for lean meat not produced in the U.S. and requiring imports. The U.S. imports lean meat from Australia, New Zealand, Brazil, and other countries, with Brazil accounting for 23% of total beef imports.

In the first half of 2025 alone, the U.S. has imported 181,500 tons of beef from Brazil, a 112.5% increase from the same period in 2024.⁷ The U.S. has already begun to see a reduction in imports from Brazil, largely due to high tariffs. With tariffs causing increases in overall beef prices from Brazil, purchases have slowed, reducing supply and adding additional pressure on already reduced domestic production. This pressure has increased costs, while consumer demand, likewise, continues to increase.⁸

General: Chinese Investment in Brazilian Infrastructure

What may be the most significant concern surrounding Brazilian agriculture is the widely reported investment in infrastructure by Chinese state-owned companies.⁹ This investment by the Chinese government gives Brazilian producers a competitive advantage on the world market competing against American farmers. This policy of accepting Chinese government in infrastructure by Brazil ultimately lowers the cost of production of agricultural goods and unfairly disadvantage farms in the United States.

Conclusion

In addition to these comments, we ask you to consider the comments submitted by American Farm Bureau Federation. TFBF supports efforts to promote fair trade and remains concerned about the potential for retaliation against U.S. agricultural exports. Brazil's ethanol tariffs are limiting market access for U.S.-produced ethanol and negatively impacting farmers. TFBF maintains its support for increased action by USTR and USDA to ensure U.S. food and agricultural businesses are also not subject to other nations' domestic climate policy goals,

⁴ University of Tennessee. (April 2025). Estimated Economic Activity for Cow-Calf Enterprise in Tennessee. Retrieved from: <https://utia.tennessee.edu/publications/wp-content/uploads/sites/269/2025/05/D259.pdf>

⁵ Southern Ag Today. (May 6, 2025). Cattle Prices Hit New Highs and Carcass Grading Trends Over Time, May 6, 2025. Retrieved from: <https://southernagtoday.org/2025/05/06/cattle-prices-hit-new-highs-and-carcass-grading-trends-over-time/>

⁶ USDA. (July 25, 2025). July Cattle Inventory Report, July 25, 2025. Retrieved from: <https://downloads.usda.library.cornell.edu/usda-esmis/files/h702q636h/kw52m864g/j0991c073/cat10725.pdf>

⁷ DatamarNews. (July 22, 2025). U.S. Beef Imports from Brazil Plunge 80% in Three Months, July 22, 2025. Retrieved from: <https://datamarnews.com/noticias/u-s-beef-imports-from-brazil-plunge-80-in-three-months/#:~:text=Until%20the%20start%20of%20this,proposed%2050%25%20surcharge%20takes%20effect.>

⁸ American Farm Bureau Federation. (May 23, 2025). Beef Demand – The Key to Cattle Price, May 23, 2025. Retrieved from: <https://www.fb.org/market-intel/beef-demand-the-key-to-cattle-prices>

⁹ Wall Street Journal. (May 12, 2025). China Is Building Megaports in South America to Feed Its Need for Crops. Retrieved from: https://www.wsj.com/world/americas/china-is-building-megaports-in-south-america-to-feed-its-need-for-crops-8831748e?utm_source=chatgpt.com

inclusive of deforestation-related policies. Tennessee beef farmers are competing with Brazilian beef imports which cost significantly less than domestic beef. Furthermore, TFBF is concerned about the impact of Chinese investment in Brazilian infrastructure and its impact to competition between Brazilian and American agriculture.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Eric Mayberry".

Eric Mayberry
President
Tennessee Farm Bureau Federation