Miscellaneous Tariff Bill

The Miscellaneous Tariff Bill (MTB) supports manufacturers, farmers, consumers, and communities by reducing or eliminating tariffs, on a temporary basis, on products that are not available in the United States. Unfortunately, the MTB expired in December 2020 and has not been restored by Congress. Since the MTB expired, businesses in the United States and their customers have paid over $1.5 billion in anti-competitive tariffs, equal to $1.3 million per day.

The Cost to our Industry, Farmers, Businesses, and Consumers

Companies utilize MTB to reduce import duties on intermediate inputs that are not available or not available in sufficient quantities domestically, which helps reduce domestic production costs.

Under MTB, stakeholders petition the International Trade Commission (ITC) for temporary tariff relief. The ITC, along with the Department of Commerce, conduct thorough analyses and makes recommendations to Congress, ensuring the petitions approved are noncontroversial. **Around 50% of MTB petitions are chemicals**, including agricultural chemicals.

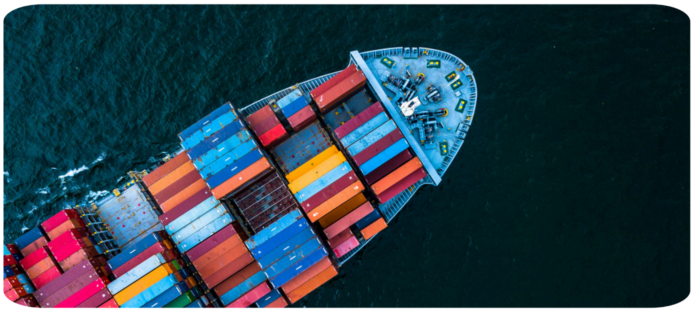
The ITC found that tariff relief under the previous MTB **boosted U.S. GDP by as much as $3.3 billion** and output annually by as much as **$6.3 billion**.

- Without MTB in place, our companies are experiencing an additional cost of goods ranging from **$2 million** to **$89 million** per company per year.
- The MTB only reduces Most Favored Nation tariffs for approved petitions and does not modify Section 301 tariffs on products from China.
- The MTB has historically been passed on a **strong bipartisan basis**. In 2018, Congress passed it unanimously.

Without the savings from the MTB, it could lead to increased prices of final agricultural commodities, raising the cost of food and jeopardizing global competitiveness. Or it could lead to less use of inputs and, without the use of pesticides, **farmers can lose up to 80% of their crops annually** due to pests and disease.

The cost savings that MTB provides are **invested into research and development** to discover new innovate pesticide products, strengthening U.S. manufacturing, creating new employment opportunities, and allowing for U.S. companies to be **price competitive with manufacturers from other countries.**

Our Ask: Pass a fully retroactive Miscellaneous Tariff Bill as soon as possible to ensure our nation's farmers, consumers, and communities maintain access to affordable pesticide solutions.



If you have questions, please reach out to rise@pestfacts.org

Responsible Industry for a Sound Environment®

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Company Examples

Albaugh, LLC

Albaugh, LLC, is a privately owned company based in Iowa with manufacturing facilities in St. Joseph, MO. During the previous period of MTB tariff reductions, Albaugh was able to import the intermediate *N-carboxymethyl-N-phosphonomethyl-glycine* (PMIDA) for use in the synthesis of crop protection products. The current tariffs on PMIDA make synthesis in the United States more costly than importing the finished crop protection products. If the MTB for PMIDA were restored, Albaugh could resume synthesis in the United States and **employ up to 30 additional workers** at its St. Joseph facility.

Bayer

Bayer is a life sciences company focused upon agriculture, pharmaceuticals, and personal health care products. Its agriculture division has its U.S. headquarters in St Louis, MO, and strives to ensure America's farmers are equipped to profitably grow more food sustainably. The MTB makes it more competitive for Bayer to produce crop protection products at their U.S. manufacturing sites, particularly those in Kansas City, MO (617 employees), Muscatine, IA (460 employees) and Luling, LA (747 employees).

Since the MTB expired, it costs Bayer roughly an **additional $20 million every year** to produce them in the United States.These products are manufactured for U.S. farmers growing a wide array of commodity crops and specialty crops. MTB renewal would provide much needed tariff relief on raw materials not produced domestically in the United States and help keep U.S. production of crop protection products used by America's farmers competitive while incentivizing potential future domestic manufacturing expansion.

PBI Gordon

PBI Gordon Corporation is an employee-owned company headquartered in Shawnee, KS. PBI Gordon pays duties, directly and indirectly, on most active ingredients sourced for use in their finished products. For instance, the company now pays duties on 2,4-D since there is no longer a U.S. supplier for the form used in their formulations. PBI Gordon could now apply for relief under the MTB if passed in Congress. The costs associated with this, in total or partially, are currently being **passed along in the form of a price increase** to Channel Partners and ultimately, the end-consumer.

SePRO Corporation

SePRO Corporation is a privately owned company based in Indiana with significant research and development and production facilities in North Carolina. The absence of the MTB has had a significant impact on SePRO's cost structure due to tariffs on key raw materials ranging from **6.5% to 25%**. The cost impact of these tariffs has created significant financial challenges for the company, creating financial risk for the company's 125 employees.

SePRO has had to pass these costs along to customers which has had a **detrimental financial impact on the company's customers**, including farmers working to provide reasonable cost food and fiber to U.S. citizens and federal, state, and local agencies and lake management organizations trying to improve and restore the nations freshwater resources. SePRO has, without success, sought opportunities to source these materials from U.S. based suppliers. Passage of the MTB is important to the ability of SePRO to fulfill its mission of Preserving, Protecting and Restoring our natural resources.

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