

# Prohibitive tariffs on China's imports from the US

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# Group work: Prohibitive tariffs on China's imports from the US

```
$INCLUDE "pol_input\cap_after_2023\ref.gms"  
* -----  
* --- Fixing pesticide applicatin quantities per ha to circumvent calibration problems  
* -----  
DATA(RU,mCact,pestoAgg,"AbsoluteChange") = eps;  
* -----  
* --- enter high tariff for exports from USA to China (destination first)  
* -----  
p_trqBilat("CHN","USA","soya","TrqNT","CUR") = prohibitive;
```

# Group work

- GAMS files:
- Result files (.gdx) to be loaded with GUI:
- Baseline: res\_2\_1735userScens\_refdefaultA.gdx (with market model)
- Trade war scenario: res\_2\_1735userScens\_prohibitive\_tariffs\_china\_us\_importsdefaulta.gdx

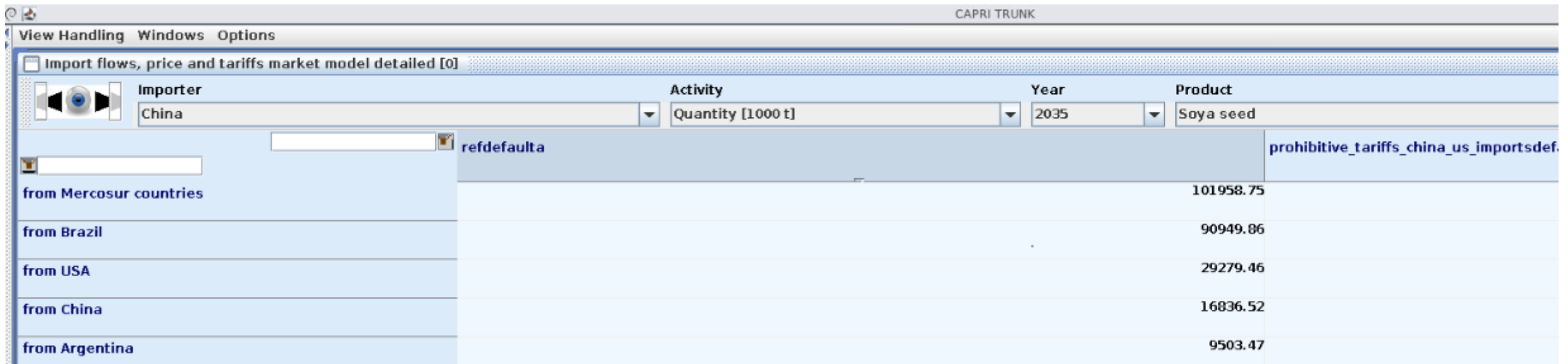
# Questions

Using the GUI table “Import flows, price and tariffs ... detailed”, find the answer to the following questions in the baseline (ref)

1. Biggest soybean exporter to China:
2. Rank of USA in the soybean exporters to China:

# Results

1. Biggest soybean exporter to China:
2. Rank of USA in the soybean exporters to China



View Handling Windows Options

CAPRI TRUNK

Import flows, price and tariffs market model detailed [0]

Importer: China

Activity: Quantity [1000 t]

Year: 2035

Product: Soya seed

Source	Quantity [1000 t]
from Mercosur countries	101958.75
from Brazil	90949.86
from USA	29279.46
from China	16836.52
from Argentina	9503.47

# Question cnt.

1. Show that US is not exporting to China! (trade-> Import flow prices, market model details)
2. Which countries export instead of US to China?
3. How does the soybean production in the EU react?
4. Did net production of soy in US changed? If yes in which direction and by how much tones?
5. How do the prices react in the US? (Prices->Prices Market model)

# Results cnt. (1. Show that US is not exporting to China)

CAPRI TRUNK

View Handling Windows Options

Import flows, price and tariffs market model detailed [0]

Importer: China      Year: 2035      Product: Soya seed

	refdefaulta Quantity [1000 t]	prohibitive_tariffs_china_us_importsdef aulta Quantity [1000 t]	
from Mercosur countries	101959	125221	23%
from Brazil	90950	109818	21%
from USA	29279	0	-100%
from China	16837	17174	2%
from Argentina	9503	12954	36%

# Results cnt. (2. Which countries export instead of US to China?)

View Handling Windows Options

Import flows, price and tariffs market model detailed [0]

Importer: China Year: 2035 Product: Soya seed

prohibitive\_tariffs\_china\_us\_importsdefault

Quantity [1000 t]

Source	Quantity [1000 t]
from Mercosur countries	125221 29262
from Brazil	109818 18868
from Argentina	12954 3451
from Uruguay and Paraguay	2449 943
from China	17174 337
from Canada	780 148
from Russia	567 137

# Results cnt. ( 3. How does the soybean production in the EU react?)

View Handling Windows Options

CAPRI TRUNK

Market balances without intra trade [0]

Region: European Union Year: 2035 Percentage diff. to Scen: refdefaulta View type: Table

prohibitive\_tariffs\_china\_us\_importsdefaulta

	Net production [1000 t]	Human consumption plus losses [1000 t]	Processing [1000 t]	Biofuels processing [1000 t]	Feed use [1000 t]	Imports without intra trade [1000 t]	Exports without intra trade [1000 t]	Net trade [1000 t]	
Soya seed	2505 -2%	268 0%	11457 2%			975 4%	11332 3%	1137 -2%	-10195 -4%
Soya oil	2244 2%	1107 0%	662 1%		448 -1%	309 0%	833 -3%	551 5%	-282 16%
Soya cake	9297 3%	81 0%	209 1%			35080 0%	26490 -0%	417 4%	-26073 0%

# Results cnt. (4. Did net production of soy in US changed? If yes in which direction and by how much tones?)

View Handling Windows Options

CAPRI TRUNK

Product balances market model [0]

Region: USA Year: 2035 Percentage diff. to Scen refdefaulta

prohibitive\_tariffs\_china\_us\_importsdefaulta

	Net production [1000 t]	Human consumption plus losses [1000 t]	Human consumption plus losses, quality corrected [Utility (-1000 t at utility of calibration point)]	Processing [1000 t]	Biofuels processing [1000 t]	Feed use [1000 t]	Armington quality corrector []	Stock change (priv and interv) [1000 t]	Imports [1000 t]	Exports [1000 t]	TradeIndex [index]	Net Trade [1000 t]
Soya seed	117845 -9%	608 0%	608 0%	82355 11%		1960 22%	1 0%		99 -34%	33020 -38%	0 -37%	32922 -38%
Soya oil	15552 11%	4136 1%	4136 1%	5094 12%	6310 11%		1 0%		337 -21%	349 146%	0 104%	11 104%
Soya cake	61050 11%					32128 5%	1 0%		109 -22%	29032 19%	0 9%	28923 19%

View type: Table

# Results cnt. (5. How do the prices react in the US?)

CAPRI TRUNK

View Handling Windows Options

Prices market model [0]

Product: Soya seed, Year: 2035, Scen: prohibitive\_tariffs\_china\_us\_importsdefaulta, Percentage diff. to Scen: refdefaulta

	Producer price [Euro / t]	Market price [Euro / t]	Price Armington 2 [Euro / t]	Price Armington 1 [Euro / t]	Consumer price [Euro / t]	Processing margin [Euro / t]
USA (defaulta)	151 -23%	205 -23%	319 0%	205 -23%	7766 -1%	405 6%