

Is the China-America Trade War a Good or Bad Thing?

By Drew Rausch

Is the United States and China trade war a good thing or a bad thing for farmers? I believe that it is a bad thing.

Let me just give you a little bit of background information. The reason for the trade war is that President Donald Trump was frustrated with the trade deficit so he added a tariff to many trade items. The trade deficit is 375 billion dollars. Chinese officials were very mad, so now they are purchasing less soybeans than they were.

Let us start with the effects of the trade war on farmers. Farmers that sell to the Pacific Northwest region to export soybeans are not able to sell the crop because grain elevators are full because they can't sell the crop to China, which is our main buyer of soybeans. If farmers can not sell their crop then they are not making a profit. If farmers are not selling, then they have nowhere to store the crops, so what do they do with them? If one is not making a profit then one cannot pay for the land, seed, and machinery, etc. If the farmers are lucky enough to sell the crop the value is low. The outcome is the same as before, profit loss.

Let's talk about the profit issues for the country and farmers. Profit is something we need for a living. As a country we need it; if a country is not making money we can't support ourselves. The country's economy would crash. We would not be able to pay for an army and then how would we defend ourselves? Now, let's change the topic to profit for farmers. It is real simple. If a farmer can't make money they have to sell their equipment, land, and farm. If that happens they don't have jobs also means less food for America. Let's face it, if we have to get more food from other countries because we aren't making enough because farms have shut down, our trade deficit would increase. Isn't the point of the trade war to lower trade deficit?

Now there are a few things that could end up happening in the end from the trade war. Let's go over a few. Let's start with the bad outcome. If in the end we have to resort to selling smaller amounts of crop to smaller countries, it will only be a small portion of what we were selling to China. If we do this and China never comes back to buying what we are selling, then we lose a large profit because we never got them back. Value of crop is low so farms still go out of business. Let's talk about the good outcome. We start selling to small countries and smaller amounts, but then, China also starts buying from us again, which makes the demand much higher. If the demand is higher, the price is also, and we need more farmers to produce that crop. If we need more of that crop we also will need more farmers.

From this article I hope you have learned a lot about this trade war. I hope that I have persuaded your opinion or changed it completely.

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