



Forum: The Economic and Social Council

Topic: Addressing the Impact of Trade Tariffs on Agricultural Exports from Latin America

President

Introduction

Agricultural exports are considered a vital part of many Latin American economies, providing employment, supporting domestic markets, and contributing to the countries' overall GDP. Trade tariffs imposed by importing countries have placed pressure on the agricultural sector, which serves as a major source of income for many Latin American nations. Trade tariffs, which are taxes placed on goods as they cross international borders, pose as a threat to the agricultural sector by raising prices, reducing competitiveness, and limiting market access for Latin American producers.

This issue not only disrupts economic stability for countries in Latin America, but also affects global food supply chains, and international relations. Countries such as Brazil, Colombia, and Argentina rely heavily on exports like coffee, soybeans, and bananas as these contribute significantly to employment and national income. Tariffs imposed by major markets, or importers such as The United States, China, and the European Union can lead to decreased demand for these exports as the rise in prices may discourage consumers from buying products imported from Latin America.

In the past, Latin American has struggled with unfair trade policies, where stronger countries had more power in setting rules and regulations regarding trade agreements. Some of these rules protected certain countries' own products, and economies rather than focusing on global trade equality. These rules made trade even more difficult for Latin American exporters. As the world becomes more connected through trade, it is important that we recognize the importance of addressing the impact of tariffs on Latin American agricultural exports to promote economic equality, food security, and sustainable development.

The issue connects to this year's AMMUN theme, "Deliberate to Liberate" as it shows how strategic policymaking can unlock economic freedom and opportunity especially in Latin America. Latin American countries have the chance to liberate their economies from unfair trade systems by working together to reduce trade barriers and strengthen their voice in global organizations like the WTO. Deliberate action includes negotiating fairer trade rules, forming a strong group of Latin American agricultural exporters, and investing in better trade infrastructure like better roads. This joint effort would also help countries rely less on foreign markets that place high tariffs on their

goods. In this case, liberation means helping farmers sell their crops fairly, earn more money, and support their communities and families. It also means changing global trade rules so that developing countries like those in Latin America are treated fairly. By focusing on fairness, cooperation, and inclusion, Latin America can build a better future for its agriculture and economy.

Definition of Key Terms

Tariffs

Tariffs are a tax imposed on imported or exported goods. This tax is often used to protect domestic industries or raise government revenue. They protect domestic industries by making their products seem cheaper in comparison to foreign products, lowering competition for local farmers.

Agricultural Exports

Farming products like coffee, beef, sugar, bananas. These products are sold to other countries. Countries typically import products that they cannot grow or make easily themselves in good quality

Free Trade Agreements (FTA's)

Agreements between countries to reduce or remove tariffs and other trade barriers. This allows the countries to trade freely which reduces prices and makes the overall trade experience easier.

Importers

Countries who buy goods or services from other countries. These goods can include food, raw materials, technology, and more. Importers help create demand for foreign goods. They also help make products available for consumers when they are not produced locally.

Exporters

Exporters are countries who sell goods and services to other countries. Exporting allows producers to reach larger markets internationally; this increases profits and supports economic growth. In Latin America, many countries depend heavily on exports to support the economy, especially agricultural exports

Market Access

The ability of a country or exporter to sell their goods in other countries' markets. This can

help exporters in gaining international exposure but may also affect them negatively due to trade barriers that affect how easy, or hard a product can enter and compete in a foreign market.

Gross Domestic Product (GDP)

The Gross Domestic Product (GDP) is the total value of everything a country produces and services it provides in year. It is an indicator of how strong a country's economy is. A high GDP means the country is doing well, with more jobs and money. A low GDP means the economy may be weak, with less income and less opportunities for people.

Profit Margins

Profit margins is the amount of money a business keeps after paying all its expenses. It shows how much profit is made from each sale. For example, if a farmer sells crops but spends most of the money on seeds, tools, and transport, their profit margin is low and they earn very little in the end.

Subsidies

Subsidies are financial support given by the farmer to domestic industries including farming/agriculture. Subsidies can help farmers pay for seeds, equipment, or protect them when prices drop. This support makes it easier for farmers to keep producing, even when the market is very competitive.

General Overview

Origins and Background of the Issue

The issue of trade tariffs affecting Latin American agricultural exports has been ongoing for many years now. Latin America was under control of the European powers, mainly Spain and Portugal from the 1500's to the 1800's. During this time, Latin American economies were shaped to support the needs of the European powers, with a focus on extracting and exporting raw materials and agricultural goods. In the 20th century, Latin American countries continued to depend on agricultural exports to support their economies despite regaining their independence, however,

they did face unfair trade terms and high pricing.

The establishment of the General Agreement on Trade and Tariffs (GATT) and the World Trade Organization (WTO) promised to create fairer trading systems back in 1947, but more economically developed countries continued to heavily protect their agricultural sectors through lots of subsidies and high tariffs. For example, the EU's Common Agricultural Policy (CAP) has been known for over subsidizing agricultural goods allowing local farmers to sell their products for very low prices lowering competition in global markets and making it difficult for unsubsidized farmers to compete with such low prices. Many free trade agreements signed by Latin American countries have aimed to expand markets for their farmers or improve exporting rules and conditions, but the success has been uneven or unjust due to complicated paperwork and strict rules on how a product should be made or sourced for it to qualify for lower tariffs, making it more difficult for small farmers to meet. More economically developed countries participating in the FTA often have better infrastructure and trade facilities, and because of these differences, countries with stronger resources and a more stable economy often benefit more from these agreements, lessening the impact.

Economic Impacts of Trade Tariffs on Latin American Agricultural Exports

Trade tariffs imposed by importing prices pose as a threat to domestic farmers as they reduce the price that Latin American agricultural exporters can earn for their goods. This puts lots of pressure on profit margins especially for small scale farmers who are already working with limited resources, when tariffs raise the overall cost of exporting, many farmers are forced to sell their products for less than what they are worth to be able to compete in the international markets. With reduced income, farmers must cut costs of many things including personal needs, and farming necessities. They may struggle to find seeds, fertilizers, equipment, and even labor with the decreased income which limits their ability to improve their facilities and expand over time. For rural families which rely on agricultural exports as a source on income, tariffs may cause farming to become unsustainable, putting local farmers out of business, potentially increasing poverty rates, and food insecurity.

Agriculture plays an essential role in the economies of many Latin American countries, not only by increasing employment, but also contributing to the GDP and national income. In countries like Paraguay, Nicaragua, and Honduras, agriculture makes up about 10% of the GDP. When trade tariffs reduce profit, its doesn't only for individuals in the agricultural industry, it affects the entire

country. Lower agricultural revenue also means less tax for the government. This is because the farmers that struggle with high trade tariffs will end up with a lower income, therefore paying less income tax, which affects public services like hospitals, public transportation, schools, and infrastructure due to lower budgets. This will slowly start putting a strain on this vital economic sector, weakening the country's overall growth and stability.

High trade tariffs also have a large impact on how Latin American countries trade with the rest of the world. When exports in foreign markets become more expensive due to trade tariffs, buyers in importing countries often turn to other, cheaper markets. This reduces demand for Latin American agricultural products and can even begin to damage trade relationships. This is because when tariffs are unpredictable or driven by corruption or political motivations, trading partners stop seeing each other as dependable. In a region where lots of countries rely on agricultural exports like soybeans, sugar, bananas, and more even small changes in the market can make a huge, long-lasting impact on trade alliances, and trust built between countries. Tariffs also make it more difficult for Latin American countries to compete globally or build reliable trade partnerships.

Social Impacts of Trade Tariffs on Latin American Agricultural Exports

As for social impact, many people in Latin America heavily depend on farming and work in the agricultural sector as a primary source of livelihood. Therefore, if the agricultural sector loses, so do they, leading to huge economic downside, a loss for farmers, poverty, not being able to educate their children, and more things that accumulate quickly.

According to the world bank, 15% of Latin America's workforce is employed in the agriculture sector, and over 50% of rural poor in Latin America depend primarily on agriculture for income. Also, when tariffs do strike the agricultural sector in Latin America, this leads to the loss of jobs, the instability of farmers, and even uprisings. This can cause entire rural communities to weaken, as fewer jobs will be available which will lead to rural to urban migration, and even school dropouts as families may be forced to pull children out of school to work. Overall, the social impacts are heavily dependent on the economic impacts, when the tariffs lead to economic advantage, farmers can be independent, support themselves, and continue to export their yield. But when tariffs harm the economy, social factors are also affected negatively, as poverty levels will increase, education levels will decrease, and cities may become overcrowded leading to public

frustration. When it is the other way around, it leads to more poverty, and in some cases, public frustration can fuel protests, distrust in government, and political unrest, especially in areas where people feel ignored or unsupported.

Current Challenges Faces and Major Developments

Latin American countries have recently been increasing their efforts to become more involved in global trade particularly in the agricultural sector. Trade groups like Mercosur, and the Pacific Alliance were created to help countries trade easily and more efficiently. This is done by cooperation between countries, reducing tariffs, and increasing exports. These groups make it easier for countries in the region to trade with one another and even with the rest of the world. Although this has been a major development for Latin American trade, it comes with its challenges such as disagreements between countries, and slow coordination. These disagreements may involve differences in economic priority, like whether countries should focus on trading within Latin America, or with larger countries like the U.S and China. Some countries also disagree on things like environmental rules that should be followed, worker rights, or how quickly trade rules and agreements should be updated, which can slow down progress.

As of now, trade between Latin American countries is still low, with about only 20% of exports staying within the region. Whereas 60% of exports go to the EU. Trade tariffs wars between the U.S and China have caused more countries to put up higher tariffs to protect their own industries. This has made it harder for Latin American countries as global market conditions often become unstable, making it difficult to find reliable and stable trade partners. Climate change and rising costs of farming essentials like water, fertilizer, and equipment has also made it harder for farmers to succeed in the agricultural industry. Small scale farmers often don't have the right resources or support to improve their tools, or farming methods, which makes it difficult for them to compete equally with larger scale agricultural corporations that are better funded from more economically developed countries.

Major Parties Involved

The United States of America (USA)

The United States is one of the biggest buyers of agricultural products from Latin America, however it also plays a large role in imposing tariffs on goods imported from Latin American countries. The U.S has signed free trade agreements in the past with Latin American countries like

Chile, Mexico, and Peru. These agreements helped lower tariffs, making it easier for Latin American farmers to reach international markets. While the U.S has helped decrease tariffs on Latin American agricultural goods through trade agreements, they have also raised tariffs on certain goods which has caused economic instability for exporters in the region. The U.S is an important decision maker when it comes to setting trade rules that impact Latin America's agricultural trade.

Brazil

Brazil is one of the largest exporters of agricultural goods in Latin America, known for exporting products like soybeans, coffee, beef, and sugar. Brazil has been vocal on their opinion regarding high trading tariffs which prevent domestic workers from accessing the global market. With that, they have helped push towards fairer tariff laws through the World Trade Organization (WTO). Brazil has also recently been expanding trade deals to countries like China to reduce dependance on the U.S and protect their domestic industries.

World Trade Organization (WTO)

The World Trade Organization is an organization which focuses on setting trade rules around the world. It also works to minimize tariffs and any sort of unfair trade practices. Latin American countries, alongside many other countries around the world often turn to the WTO for help when facing issues with trade barriers like high tariffs that make it difficult to sell their agricultural goods to other countries. The WTO launched The Doha Development Round, which aims to make trade fairer for developing countries, including countries in Latin America, but progress on this project has still been slow.

Mexico

Mexico is part of a very important trade agreement within North America; this agreement is known as USMCA. By giving Mexico easier access to North American markets, making the nation one of the top exporter of fruits, vegetables, and other farm products. The country improved its farming systems, built better trading infrastructure, and built new trading ties. All these efforts helped Mexico become highly competitive in global markets. Mexico has benefitted from the reduced tariffs but has also been affected by recent tariff increases imposed by the U.S, yet they remain standing strong, adjusting to new rules and regulations.

Chile

Chile is one of Latin America's most successful agricultural exporters, especially known

for exporting fruits like grapes, cherries, apples, and blueberries. Chile has signed many Free Trade Agreements (FTA's) with more than 60 countries, some of which include the U.S, and the EU. These agreements helped lower or remove tariffs on Chile, making their products more affordable in the global market, attracting more customers.

Mercosur

Mercosur or the Southern Common Market is a trade alliance made up of Argentina, Brazil, Paraguay, and Uruguay. It was created to strengthen trade within South America by reducing tariffs and making it easier for member countries to buy and sell goods, especially agricultural products. Mercosur has helped increase exports of important products like beef, soy, and grains within the region and to outside markets like the EU and China.

Pacific Alliance

The Pacific Alliance includes Chile, Colombia, Mexico, and Peru. It was formed to promote open trade and economic integration, particularly with countries around the Pacific Ocean. Unlike Mercosur, this trade alliance focuses more on global trade, rather than regional trade. The alliance has worked to reduce tariffs, and simplify trade rules, making it easier for agricultural exporters to access markets in Asia, North America, and Europe. This has helped some members of the Pacific Alliance group to expand their agricultural exports especially in fruits, vegetables, and seafood.

Timeline of Events

Date	Event
1993 / 9 / 1	The EU agreed to lower tariffs on banana exports for Latin American countries, which gave Latin American farmers wider access to the European market and ended some trade conflicts.
1994 / 1 / 1	A Free Trade Agreement between all countries in North America was signed (NAFTA), this gave Mexican farmers better access to U.S and Canadian markets, boosting Mexico's agricultural economy, hence supporting local farmers.

1998 / 4 / 17

A free trade agreement between Chile and Mexico was signed (Chile- Mexico Free Trade Agreement), removing most tariffs between the two countries which allowed them to trade fresh produce. This made trading and exporting agricultural items easier and cheaper.

2003 / 6 / 6

The United States and Chile signed a Free Trade Agreement (U.S – Chile Free Trade Agreement). This deal cut tariffs between the U.S and Chile, allowing Chilean agricultural products like grapes and berries to grow in the American market.

2004 / 1 / 1

The U.S- Chile Free Trade Agreement began to take effect, as there was a noticeable boost in Chilean economy while also giving U.S customers cheaper fresh produce.

2006 / 11 / 22

The United States signed a Free Trade Agreement with Colombia (U.S – Colombia Free Trade Agreement). This deal removed tariffs on goods traded between the two countries, and helped increase sales of Colombian coffee, flowers, and fruit, supporting domestic/ rural jobs in Colombia.

2009 / 12 / 14

More Latin American countries (like Brazil, and Ecuador) were added to the deal which reduced EU tariffs on bananas. This helped end banana trade fights within Latin America and gave smaller farmers a better chance to compete

2018-2019

Tariff war between the U.S and China begun. China reduced agricultural imports from the U.S and began importing from South American instead (like Argentina, and Brazil).

2025 / 2 / 1

U.S issues 25% increase in tariffs on Mexico, raising food and fertilizer costs, causing other Latin American countries to look for different buyers to prevent facing high tariffs like those places by the U.S on Mexico.

Attempts to solve the issue

Free Trade and Investment in the Hemisphere. (2000/6/5) (OAS AG/RES. 1700)

This resolution was submitted by the Organization of American states. It asked of the countries in Latin America to work together to reduce trade boundaries like tariffs so they could trade more easily, and freely. The resolution supported the idea of forming one big free trade zone where Latin American countries like Mexico, Brazil, Peru, and others could sell agricultural products without high taxes. This helped encourage more Latin American countries to work together and unite. Some Free Trade deals were signed between countries like Chile and Peru, but the full free trade zone did not work.

The Right to Food. (2022/1/7) (A/RES/76/166)

This resolution focused on the fact that everyone has a right to enough food to stay properly nourished, and that trade barriers like tariffs were making food harder to get due to increased prices. It suggested for countries to change their trading policies to make sure that they help people that depend on farming for their jobs to support themselves and their families, and for food. This resolution was partly successful as it helped raise awareness but did not force any countries to act. This meant that the success of this resolution came from what world leaders decided to do about it.

Possible Solutions

One possible solution to the issue of high importing taxes (tariffs) imposed by countries importing agricultural goods from Latin America, could be limiting harmful subsidies that make it difficult for Latin American farmers to compete in international markets, specifically those of more economically developed countries. Subsidies are financial support from governments given to vulnerable industries like the agricultural industry. They allow for farmers in wealthier countries to sell their goods for much cheaper. Countries like the U.S.A, France, Germany, Spain and more can provide large amounts of financial support to their farmers. Because of this, Latin American farmers (who usually do not receive the same amount of support) struggle to compete in foreign markets as people are normally drawn to lower prices. In addition to the heavily subsidized agricultural goods, more economically developed countries also impose tariffs on goods including Latin American agricultural products making it even more difficult for Latin American farmers to compete. A solution to this issue would be setting new strict rules on limiting subsidies through organizations like the WTO. Considering that tariffs are often a reaction to high subsidies, these laws will help lower tariffs and create a fairer trading environment.

Latin American countries heavily rely on exporting agricultural goods to large global markets like the United States and the European Union, but trade barriers like tariffs often limit their ability to trade fairly, and limit global market access which hurts the farmers economically and could possibly also hurt national revenue generated from agricultural exports. Instead, Latin American countries may benefit from trading agricultural products with each other, rather than depending on countries like The United States, The Netherlands, and Italy which have high tariffs. Latin American Farmers often avoid exporting to neighboring countries due to complicated rules which often delay shipments, hindering quality and causing disputes. Latin American countries could work together to build a stronger regional trade alliance, setting clear rules and regulations, and closely monitoring shipments with improved infrastructure and better trained employees. This would help create a bigger and easily accessible market for Latin American farmers which are nearer and have lower tariffs.

Another possible solution would be for Latin American countries can work together to negotiate fairer trade agreements through international trade organizations like the World Trade Organization (WTO). By acting collectively to demand fairer trade policies, they can push for global rules that reduce unfair tariffs and limit the use of large subsidies by richer countries. These negotiations can focus on ensuring that Latin American agricultural products are treated fairly in

the global market, especially since many of these countries rely heavily on farming for income and jobs. A stronger, shared voice at the WTO can help stress on how current trade rules harm small farmers in developing countries. This solution would not remove all tariffs immediately, but over time it could lead to more equal trade conditions, giving Latin American exporters better access to international markets.

Guiding Questions

1. How does your country benefit or suffer from Latin American agricultural exports?
2. Does your country rely on exporting goods for economic growth?
3. Does your country currently import agricultural goods from Latin America?
4. Has your country ever supported imposing tariffs on agricultural imports from Latin America? Why or why not?
5. Is your country part of any free trade agreements (FTA's) that affect Latin American trade?
6. What are trade tariffs, and how do they affect agricultural exports from Latin America?
7. Which Latin American countries are most affected by agricultural tariffs, and why?
8. Who are the largest importers of agricultural products from Latin America, and what role do they play in Latin America's economy?
9. How might changes in demand from top importing countries impact farmers and exporters in Latin America?
10. What role do large economies like the U.S., EU, and China play in setting or changing tariffs on Latin American agricultural goods?
11. Should tariffs be reduced or removed completely for developing economies? What might be the risks and benefits of doing this?

Appendix

- Impact of Proposed U.S. Tariffs on Agricultural Trade Flows in the West:
<https://www.bricsgrain.com/us-tariffs-on-mexico-and-canada-could-boost-agrifood->

[exports-from-latin-america-and-the-caribbean](#)

- Global Agricultural Trade and Tariff Trends in 2025: <https://agamerica.com/blog/agricultural-trade-q1-2025>
- UNCTAD Report on Global Agriculture Tariffs: <https://unctad.org/system/files/official-document/ditcinf2025d1.pdf>
- How US Tariffs Could Impact Latin America: <https://www.spglobal.com/market-intelligence/en/news-insights/research/how-us-tariffs-could-impact-latin-america>
- China to Boost Food Imports From Latin America, Europe as U.S. Trade War Escalates: <https://www.agriculture.com/china-to-boost-food-imports-from-latin-america-europe-as-u-s-trade-war-escalates-11691042>
- World Bank Report: How Tariffs Are Slowing Latin America's Growth in 2025: <https://www.worldbank.org/en/publication/global-economic-prospects>
- Why “Fair Tariffs” Hurt Global Food Supply: <https://www.ifpri.org/blog/how-reciprocal-tariffs-harm-agricultural-trade/>
- Peru Starts Selling More Blueberries to China After U.S Add More Tariffs: <https://www.reuters.com/sustainability/climate-energy/peru-usas-top-blueberry-supplier-looks-china-tariffs-hit-2025-06-11/>

Bibliography

- “EU-Mercosur Free Trade Agreement: Reducing Tariffs and Impact on Agricultural Trade.” *PotatoPro*, 18 Dec. 2024, www.potatopro.com/news/2024/eu-mercosur-free-trade-agreement-reducing-tariffs-and-impact-agricultural-trade. Accessed 25 June 2025.
- Glauber, Joseph, et al. “Impact of Proposed U.S. Tariffs on Agricultural Trade Flows in the Western Hemisphere.” *Ifpri.org*, 4 Mar. 2025, www.ifpri.org/blog/impact-of-proposed-u-s-tariffs-on-agricultural-trade-flows-in-the-western-hemisphere. Accessed 16 June 2025.
- “How US Tariffs Could Impact Latin America.” *S&P Global Market Intelligence*, 16 Apr. 2025, www.spglobal.com/market-intelligence/en/news-insights/research/how-us-tariffs-could-impact-latin-america. Accessed 24 June 2025.

- Josling, Tim, et al. “Latin American Agriculture in a World of Trade Agreements | ORKG Ask.” *ORKG*, Apr. 2025, ask.orkg.org/item/593189142/Latin-American-Agriculture-in-a-World-of-Trade-Agreements. Accessed 28 June 2025.
- “Latin America at WTO, Stands up in Support of Reforming Agriculture Trade Rules.” *MercoPress*, 16 June 2022, en.mercopress.com/2022/06/16/latin-america-at-wto-stands-up-in-support-of-reforming-agriculture-trade-rules. Accessed 21 June 2025.
- Morales, Fernando, et al. *A Microeconomic Look at the Impact of Tariffs on Latin American Exports Integration and Trade Sector*. Dec. 2019.
- Ortiz-Mena, Antonio, and Diego Marroquín Bitar. “How U.S. Tariffs Are Rewiring Latin American Trade.” *Americas Quarterly*, 23 June 2025, www.americasquarterly.org/article/how-u-s-tariffs-are-rewiring-latin-american-trade. Accessed 27 June 2025.
- Shearer, Matthew, et al. “The Treatment of Agriculture in Regional Trade Agreements in the Americas.” *Iadb.org*, Inter-American Development Bank, 30 Oct. 2009, publications.iadb.org/en/treatment-agriculture-regional-trade-agreements-americas. Accessed 1 July 2025.

Contact Information

Pella Mubarak

pella_mubarak@abs.edu.jo

+962779333700