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Tariff Standoff Ends With Ag Unscathed

US, Canada, Mexico Won't Impose Immediate Tariffs After a Day of Calls

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By Chris Clayton, DTN Ag Policy Editor

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President Donald Trump, Mexican President Claudia Sheinbaum and Canadian Prime Minister Justin Trudeau agreed there would be no tariffs for at least one month after Mexico and Canada agreed to tighten border security and efforts to stop fentanyl. Mexico and Canada are the largest buyers of U.S. agricultural commodities. (DTN graphic)

OMAHA (DTN) -- The first big trade dispute of the second Trump presidency ended Monday after five days of salvos and market whiplash, but no tariffs imposed.

After pressing on Saturday to put 25% tariffs in place, President Donald Trump came to terms with Canadian Prime Minister Justin Trudeau on Monday afternoon after reaching a deal with Mexican President Claudia Sheinbaum earlier in the day. All three leaders agreed they would pause tariffs for one month.

However, there is still no resolution with China, which is facing a 10% increase in tariffs on Tuesday.

BORDER SECURITY INCREASED

Mexico agreed to add 10,000 Mexican National Guard troops to its northern border.

Canada was already implementing a \$1.3 billion border security plan that Trudeau and Trump highlighted. Canada also will appoint a fentanyl czar, invest \$200 million more to deal with organized crime and fentanyl and add Mexican cartels to Canada's terrorist watch list.

"The proposed tariffs will be put on hold for at least 30 days while we work on this," Trudeau posted on social platform X after his call with Trump.

Trump posted on social media that talks about economic issues over the next month will determine if tariffs eventually go into effect.

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"As President, it is my responsibility to ensure the safety of ALL Americans, and I am doing just that. I am very pleased with this initial outcome, and the Tariffs announced on Saturday will be paused for a 30 day period to see whether or not a final Economic deal with Canada can be structured. FAIRNESS FOR ALL!" Trump stated.

Earlier at the White House, Trump reiterated he wants Canada to join the United States. "I'd like to see Canada become our 51st state. We give them protection, military protection. We don't need them to build our cars ... We don't need them for lumber. We don't need them for anything."

Trump had also earlier complained that Canada doesn't allow U.S. banks to do business in the country.

At mid-morning Monday, Trump posted on social media about his call with Sheinbaum and agreed to delay tariffs. "It was a very friendly conversation wherein she agreed to immediately supply 10,000 Mexican Soldiers on the Border separating Mexico and the United States. These soldiers will be specifically designated to stop the flow of fentanyl, and illegal migrants into our Country. We further agreed to immediately pause the anticipated tariffs for a one month period during which we will have negotiations headed by Secretary of State Marco Rubio, Secretary of Treasury Scott Bessent, and Secretary of Commerce Howard Lutnick, and high-level Representatives of Mexico. I look forward to participating in those negotiations, with President Sheinbaum, as we attempt to achieve a 'deal' between our two Countries."

Sheinbaum's comments, posted on X, also reiterated the same message. "We had a good conversation with President Trump with great respect for our relationship and sovereignty; we reached a series of agreements: 1. Mexico will immediately reinforce the northern border with 10,000 members of the National Guard to prevent drug trafficking from Mexico to the United States, particularly fentanyl. 2. The United States is committed to working to prevent the trafficking of high-powered weapons to Mexico. 3. Our teams will begin working today on two fronts: security and trade. 4. They are pausing tariffs for one month from now."

Mexico is the largest U.S. market for agricultural products right now at nearly \$30 billion expected for 2024. Mexico is the top market for U.S. corn, pork, poultry, dairy and wheat products.

The move reflects how Trump uses the threat of tariffs to extract concessions from other countries. A similar move happened during the past couple of weeks with Colombia over accepting migrants from the U.S.

CANADIAN TARIFFS ON AG PRODUCTS

Meanwhile, Canada on Sunday had posted a list of U.S. products that would have been subject to tariffs as early as Tuesday.

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The Canadian list included a range of agriculture products including poultry, pork, dairy, wheat, barley, rye, oats, rice, sunflowers, canola, sugar products, chocolates, pasta, fruits, vegetables, pasta, soups, wine, beer, distilled liquors, tobacco and wood products. Also included were animal feed supplements and harvesting equipment.

The list did not include beef, which is an \$824 million market. Also not on the list were corn or soybeans, but the U.S. exports only small volumes of those commodities to Canada. Ethanol also was not listed.

Leaders of Canadian provinces also issued orders to pull American alcohol products from their stores. Doug Ford, the premier of Ontario, announced Sunday that the Liquor Control Board of Ontario (LCBO) would pull all American products from its shelves starting Tuesday. Ford said on X the LCBO sells nearly \$1 billion in American alcohol products. "Not anymore."

Also see "Canada, Mexico, Look to Target Red States With Retaliatory Tariffs" here: <https://www.dtnpf.com/...>


See the full Canadian tariff notice here: <https://www.canada.ca/...>

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