

U.S. Pesticide Supply Chains: Protecting Farmers' Access to Critical Tools



Our Position CLA Supports:

- ✓ A resilient pesticide supply chain that reinforces food security and safeguards U.S. national security.
- ✓ The administration's goal to open markets to U.S. agriculture and leveling the playing field in trade.
- ✓ The recognition of several agrochemicals in Annex II and Annex III of the International Emergency Economic Powers Act (IEEPA).

Our Ask

CropLife America (CLA) members manufacture and distribute agricultural pesticides in the United States, using many ingredients sourced globally, which are then processed into finished products domestically, creating jobs and opportunity across America. These U.S. Environmental Protection Agency (EPA)-approved pesticides are indispensable for American farmers to protect crops from pests, weeds, and diseases—helping ensure abundant harvests, a stable food supply, and reliable fiber production.

To safeguard America's food supply, protect farmer competitiveness, and strengthen pesticide supply chains, CLA recommends:

→ Categorizing Agrochemicals as Essential

The federal government should add all products that are not readily available in the U.S. to IEEPA tariff Annex II and Annex III lists. This would allow negotiators to discuss these products when developing country trade agreements. Currently, some products are on Annex II and Annex III, but many are still not included even though they are not produced in the U.S. or have limited U.S. availability.

→ Providing Transitional Relief

As industry works to shift certain supply chain elements to the U.S., create a transitional relief process that provides business certainty.

→ Mechanisms to Facilitate Timely EPA Reviews

Should registrants need to make substantial changes to formulations and change supply chains due to the impact of tariffs, the industry would need the opportunity to explore a mechanism to facilitate these pesticide supply chain reviews with EPA.

Fast Facts

The U.S. food and agriculture sector directly supports **24 million U.S. jobs**.

New tariffs are estimated to create **\$1.64 billion in additional cost** to U.S. pesticide industry.

If applied to the 2024 Tariff Schedule, U.S. pesticide makers would have paid an extra **\$414 million** in tariffs on formulated products and **\$1.23 billion** on active ingredients.

Background

The tariffs imposed on pesticide products and their chemical inputs result in significant economic costs to the U.S. agricultural supply chain. These tariffs disrupt a complex, heavily regulated supply chain that has been developed over decades.

It takes several years and a substantial investment to register facilities that manufacture and distribute the ingredients and products needed to manufacture pesticides. These facilities are required to meet stringent environmental and human health regulations and are subject to various inspections and reporting requirements depending on the type of facility and product.

Barriers That Prevent Moving Entire Supply Chain to the U.S.

- **Lack of Domestic Production** – Unable to readily switch to domestic sources for many inputs due to lack of U.S.-based production
- **High Import Dependence** – Even after shifting supply chains in 2018, many ingredients are not made or available in the U.S.
- **Regulatory and Capital Hurdles** – Building new chemical manufacturing plants in the U.S. is a multi-year, capital-intensive endeavor requiring numerous permits and lengthy EPA and state approval processes
- **Local Challenges** – Lack of properly skilled U.S. workers – and local resistance to building of chemical plants

Unintended Consequences

Farmer access to innovative pesticides	→ Negatively impact crop yield and health
Reduced R&D for next generation products	→ Strengthens global competitors' access to cutting-edge technology not available in the U.S.
Decreased U.S. manufacturing and domestic production	→ Reorients final production to lowest-tariff foreign countries, relying on countries like China
Declined U.S. manufacturing jobs	→ Negatively impacting rural communities job market
Reliance on alternative pesticide channels	→ Illicit trade in pesticides that poses significant risks to human health, the environment, and economic stability
Tariff-driven export losses	→ Market share shifts to other countries, like China
Increased cost to U.S. farmers	→ Enhanced agricultural economic hardship

Dig Deeper

CLA found that approximately half of surveyed members indicated that **imports make up 75% to 100% of their supply chain.**

Learn more from our White Paper on Tariffs and U.S. Pesticide Supply Chains



Reference: [DataWeb: U.S. Trade & Tariff Data](#)