

How Tariff Disputes Could Affect U.S. Agri-food Chain Unevenly Across States

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Introduction

Agricultural trade is an important part of the U.S. food system. Farmers rely on export markets to sell crops, livestock products, and processed foods, while consumers and food businesses depend on imported products such as fruits, vegetables, beverages, seafood, and ingredients used by food manufacturers (National Association of State Departments of Agriculture, 2025). However, recent tariff disputes involving multiple countries have put pressure on this system by raising concerns about foreign retaliation, consumer boycotts of American products, higher import costs, and increased food prices.

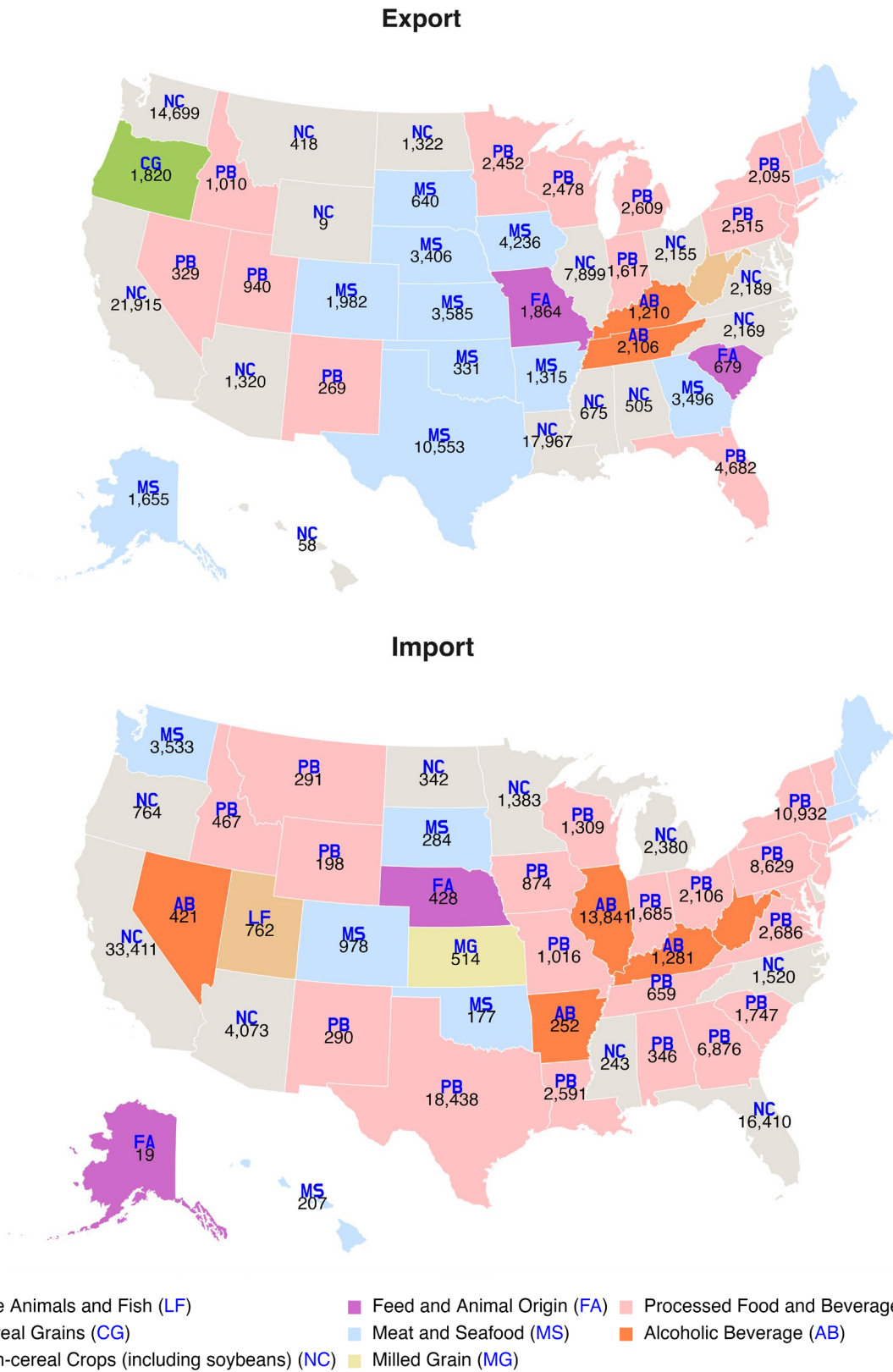
Importantly, tariff impacts are not the same everywhere. States with export-oriented agricultural sectors may be more exposed to foreign retaliation and reduced market access. Other states may be less exposed through exports but still vulnerable to higher import costs, especially in regions with large consumer markets (Goyal et al., 2024).

[A recent *Choices* article](#) by agricultural economists from Cornell University and The Ohio State University (Kang et al., 2026) uses 2024 state-level agrifood trade data from the Freight Analysis Framework 5 (US Department of Transportation et al., 2017) to examine the uneven geography of potential economic risks associated with these tariff changes by using 2024 trades as a *pre-liberation day* benchmark. The article examines how U.S. states trade, identifying which regions and sectors may be most vulnerable to disruptions from recent tariff changes.

Key Findings

Uneven state exposure: Tariff risks diverge sharply across states, largely shaped by regional production strengths and population density. Net exporting agricultural states – such as Louisiana, Iowa, and California – are highly exposed to foreign retaliation. Net importing agricultural states – such as Illinois, Texas, Florida, and New York – may face higher costs for imported food products and farm inputs. New York especially provides a useful example. While it is not a top-tier agrifood exporter, the state imports massive volumes of food to sustain the New York metropolitan area. Its imports of processed food and beverages alone are valued at \$8.63 billion USD, making the state sensitive to higher costs for imported and out-of-state food products. California and Texas face pressure on both sides as being both top-tier agricultural producers and massive consumer hubs with major ports.

Fig 1. Trade Values of Top Commodities by Origin and Destination State (Millions USD)



Notes: The upper panel shows the export value of top commodities by origin states, and the lower panel shows the import value of top commodities by destination state.

Different regional dependence on Canada and Mexico: The impact of a North American trade dispute hinges on which border is involved. Northern and Midwestern states are deeply tied to Canadian markets for grains, processed goods, and livestock. While Northeastern states – though less import-reliant than the Midwest – show high regional dependence on Canada for live animals and fish. New York, for example, clearly illustrates this asymmetry. In 2024, 54.3% of the state’s total agricultural exports (\$1.41B) and 20.9% of imports (\$2.34B) involved Canada, versus only 5.98% of exports (\$0.15B) and 5.36% of imports (\$0.62B) with Mexico. Southern and Western states, by contrast, maintain profound ties with Mexico.

Risks are concentrated in key sectors: The vulnerabilities within the U.S. agrifood system are not spread evenly across all commodities; they are heavily concentrated in specific, high-value sectors. Non-cereal crops (such as soybeans), cereal grains, meat, and seafood account for a massive share of total U.S. export value. Due to their immense economic importance, these sectors are the most frequent targets for retaliatory tariffs, echoing the severe disruptions seen during recent trade disputes with China. U.S. imports are heavily concentrated in consumer-oriented goods, such as processed foods, fresh produce, meat, seafood, and alcoholic beverages. Tariffs on these specific categories may cause immediate margin compression for domestic food manufacturers and rapid food inflation for consumers.

The USMCA exemptions are effective but incomplete: While the United States–Mexico–Canada Agreement (USMCA) facilitates heavily integrated North American supply chains by eliminating many tariffs, the study notes that this protection is not complete. Even though bulk commodities usually flow without significant frictions, other high-value imports – including specific categories of meat, dairy, fish, alcoholic beverages, confectionery, bakery products, and fruits – would remain more exposed. These differences could shape which sectors and consumers feel greater burden.

Conclusion

The primary takeaway is that the economic fallout from tariff disputes does not affect the country evenly; it varies across states and regions based on long-standing trade dependencies. Consequently, aggregate national trade statistics frequently obscure the severe, localized economic crises triggered by recent tariff shifts.

Policymakers should therefore move beyond national trade balances and evaluate localized risks by state, region, and specific commodity groups. Subsidy programs, trade mitigation payments, and economic relief must be targeted geographically to the sectors most vulnerable to specific disruptions.

For producers and agribusinesses, the researchers demand a proactive approach to supply-chain risk management. Export-heavy operations must actively diversify their buyer base to prepare for sudden drops in foreign demand, while import-dependent processors and retailers must secure alternative sourcing for raw materials to hedge against incoming price spikes.

References

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