

## The Sacred Soybean

It is not a coincidence that the Chinese government on Friday chose not to place soybeans on the list of 128 US products that could face import tariffs starting next month. China needs US soybeans. It does not need US steel pipes, fresh or diced US figs, US dragon fruit, US hazel nuts, US sparkling wine, US ginseng, US ham shoulders, etc (those are just some of the 128 products that China plans to place import tariffs on unless an agreement is reached before the end of this month). For the dry bulk market, the list of 128 products is of little consequence. There is still a chance that US soybeans could eventually face restrictions, however, and this easily represents one of the greatest US-China trade war risks to the dry bulk market at present. Of note is that according to the United States Department of Agriculture, China imported approximately 36 million tons of US soybeans last year which made up 39% of China's total soybean imports. Overall, the United States and China have so far have targeted products that are of little significance to the dry bulk shipping market. US soybeans being targeted would be a much larger issue for the dry bulk shipping market, however, but for now soybean trade has been unaffected.

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