President Trump's sweeping tariffs could harm consumer costs By Alyssa Peccatiello

President Trump has gone back and forth on enacting steep tariffs on America's major trading partners, announcing them and then revoking them within days, causing uncertainty for the future of consumer costs.

The administration imposed tariffs on China in February and imposed tariffs on Mexican and Canadian goods on March 4. By March 6, Trump <u>announced</u> tariffs on Mexican and Canadian imports covered under the U.S.-Mexico-Canada Agreement would be delayed for another month.

Trump vowed to quickly end the "inflation nightmare" during his <u>campaign</u>. In a December 2024 <u>Time</u> magazine interview, Trump said "it's very hard" to lower grocery costs.

Egg prices have soared due to rising cases of bird flu. The average price nationwide, as of January, was \$4.95 as reported by the Federal Reserve in its recent data. In June 2024, the nationwide average was \$2.72. As of March, the USC Village Target is selling a dozen eggs for \$10.49 or more.

Brian Peck, a professor at the USC Gould School of Law, said tariffs can ultimately hurt consumers.

"I think the threat to impose tariffs on our three largest trading partners — Canada, Mexico and China — is a mistake," said Peck in February. "It will have a negative impact on our economy both in terms of prices and spurring inflation."

Consumers may see the effect of Trump's new 25% tariffs on steel and aluminum imports as reflected in more expensive soft drinks, canned soups and beer.

Trump campaigned on 60% to 100% tariffs on China as ABC News <u>reported</u>, but on February 4, tariffs were set at 10% on all Chinese goods. The BBC <u>reported</u> that China retaliated with 10 to 15% tariffs on some American goods just hours after Trump's tariffs went into effect. On February 27, Trump <u>announced</u> in a Truth Social post that on March 4, the tariffs on China would increase by another 10%.

Trump's order to enact 25% tariffs on Mexico and Canada during his first days in office was delayed after the two countries agreed to aid Trump's mission of stricter border enforcement and eliminating fentanyl trafficking.

"[Canada and Mexico] are not only our two largest trading partners but also our neighboring countries; two of our strongest allies," Peck said.

In 2024, the United States imported roughly \$21.3 billion of fruits and vegetables from Mexico, according to the <u>United Nations COMTRADE database</u>. Mexico is a primary supplier of avocados, pineapples and melons. <u>Canada</u> is a major contributor of machinery, vehicles, crude oil and some Trader Joe's frozen meals.

"If [the tariffs] are in place for a short time or don't go into effect at all, it's not going to have a negative impact on prices," Peck said. "If they do go forward with them and they are imposed for a long period of time, it will have a negative impact on inflation."