

# Tariff Update and Temporary Exemptions for USMCA Goods

PUBLISHED ON  
**March 7, 2025**

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On March 6, 2025, President Trump announced a pause in implementation of the new 25% tariff rate on certain goods imported from Mexico and Canada. This update came just days after the new 25% tariffs took effect referenced in our previous alert [here](#).

The latest update will exempt products which are considered "duty free" under the U.S.-Mexico-Canada Agreement (USMCA), which is the North American trade agreement negotiated during the first Trump administration that replaced NAFTA. The new tariffs will also be reduced on potash, a key ingredient in fertilizer. The Trump Administration has stated that it will delay implementing the 25% tariff on qualifying goods under the USMCA until April 2, though the Executive Orders issued by the White House on March 6 do not themselves have an end date.

Importantly, the new 25% tariffs on Mexico and Canada goods will still be in effect for products which do not qualify under the USMCA agreement, which may include such items as auto parts and vehicles which do not meet the USMCA's Rules of Origin.

Following this week's tariff announcements from Washington, many businesses are shifting from evaluating and revising their supply chain contracts to reconsidering the tariff classifications of their products under the Harmonized Tariff Code. Businesses also need to understand the Rules of Origin to determine if their products are exempt from the new tariffs based on their compliance with the USMCA.

Barley Snyder can assist as you navigate the changing landscape of cross-border trade. If you have any questions or need assistance, please reach out attorney [Abby Tucker](#) or any member of Barley Snyder's [Transportation, Logistics and Trade Industry Group](#).

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