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CBFANC'S Lee says tariffs impacting small business

by [Stas Margaronis](#) May 02, 2025

Trump Administration's tariffs are most likely to affect small businesses with small margins, says CBFANC's Lee.

New Trump Administration tariffs are likely to raise prices for small businesses that are working on small margins, but the final disposition of the tariffs is still subject to negotiations, according to Sung Wook Lee, President of the Customs Brokers and Forwarders Association of Northern California (CBFANC).

In an interview with *AJOT*, Lee, who is also President of SW Logistics, said he is urging clients to put in their foreign import orders now: "Hurry up and load as much as possible ... as soon as you can. It will be worth it. I did put in a caveat: The higher tariffs could totally disappear at the, the whim of the President and we could have a totally different environment at the end of May."

Lee also pointed out that President Trump was elected, in part, for his support for tariffs and that the tariffs do have political support in the country. The final level of tariffs is still subject to negotiations and so may result in a less negative impact than originally thought.

Impact On Farmers

Lee says American farmers need to voice their concerns about loss of markets they are experiencing due to retaliation from China and other trading partners: "Right now, the way it looks ... President Trump is sparing no one the knife edge in his policies, including the farmers. Traditionally subsidies to farmers were offset with subsidies for school lunch programs, and USAID food programs. So, farmers are going to have to argue and support their exports and programs like school lunch programs that help farmers and school children."

Peak season orders generate holiday sales, and they need to be made soon. Lee is worried that many importers may not be able to place orders with foreign producers because of the current uncertainty on U.S. tariffs. This could result in reduced holiday sales: "The uncertainty creates is the biggest complaint the business community has."

Impact On Bonds

Lee also expressed concern for smaller importers who must post import bonds for merchandise and are facing challenges as tariffs increase the price of imported goods. Higher tariffs could make the bond either more expensive or unaffordable: "The valuation of the bond is dependent on your annual forecast or last year's duty payment. In years where that projection ... goes from like 5% of your annual imports to 25% ... those calculations really devolve into something that is not usable. So, importers are quickly finding out they are exceeding those bond requirements and now have to get new bonds. Bonds are insurances and have to be ... backed up by collateral. A lot of companies, especially smaller companies, probably have a harder time meeting those financial requirements."

In the case of high tariffs on Chinese goods, the tariff could be a serious problem for the importer: "Insurance companies are seeing a lot more cancelled bonds. Companies are abandoning their bonds... So, if you cannot increase your bond for financial reasons, then U.S. Customs will not allow

you to have any further activity in the bond. So, yeah, that would be a problem, especially if you exclusively have imported from China.”

Impact On Ethnic Importers

Ethnic importers are feeling the impact of tariffs: “The Vietnamese community is importing a lot of Vietnamese goods, and if they are smaller businesses, they would be challenged to meet their bond requirements (especially) if there was a significant jump in the tariff. Other importers that would also be impacted would include: “Importers of foreign food stuffs and ethnic grocery stores selling Indian, Southeast Asian, Korean and Chinese products.”

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