



January 31, 2025

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear President Trump,

On behalf of the Toasts Not Tariffs Coalition, which includes 52 U.S. associations and state guilds representing the entire three-tier chain of the U.S. beverage alcohol industry and others, we strongly support your efforts to strengthen the economic vitality of our great country. Our companies produce wine and spirits in every U.S. state and support more than 3.5 million U.S. jobs. Wine and spirits also play a critical role in the restaurant and foodservice industry, which is an essential pillar of the U.S. economy that provides 15.7 million jobs and generates significant tax revenue at the local, state, and federal levels. We are writing to express our collective concern about the impact of potential U.S. tariffs on wine and spirits imports, as well as the potential for retaliatory tariffs on U.S. exports and the harm that either or both actions could have on the hundreds of thousands of small businesses that we represent.

Given the unique nature of the U.S. wine and spirits sectors, the heavy dependence of U.S. restaurants and other small businesses on the sale of these products, and the challenging U.S. marketplace, we respectfully request that wine and spirits be excluded from any new or universal tariffs. We also request that your Administration prioritize urging our key trading partners to refrain from applying retaliatory tariffs on our products, including ensuring that suspended retaliatory tariffs on U.S. spirits are not reimposed.

Wine and spirits are high valued-added agricultural products with significant upstream and downstream supply chains that create good-paying jobs and generate over \$476 billion in combined annual economic activity. Our products support businesses across communities in every corner of the country - from the farmers who grow inputs such as grapes, corn, wheat, barley, hops, rye, and rice on more than 1 million acres of farmland, all the way through the supply chain to the waiters, bartenders, truck drivers, and retail clerks. These jobs also include fields such as transportation and distribution, bottling and packaging, marketing and finance, restaurants, bars, taverns, small package stores, and large and small grocery outlets.

Wine and spirits are unique products because many can only be produced in certain geographical regions around the world. Some spirits are recognized as "distinctive products" by the U.S. and our trading partners and can only be made in their designated countries - Bourbon and Tennessee Whiskey in the U.S., Tequila in Mexico, Cognac in France, and Scotch Whisky in Scotland. Similarly, wine is inherently tied to its place of origin through labeling with appellations of origin or geographical indications, which link the wine to a particular winegrowing region and its

unique qualities and characteristics. As a result, the production of these products cannot simply be moved to another country or region. Consumers view these products as unique and irreplaceable, and these forms of special recognition protect their integrity, quality and authenticity for consumers in the United States and worldwide.

Currently the U.S. beverage alcohol marketplace is increasingly difficult, and our distillers, vintners and related sectors are facing greater economic challenges. Importers, distributors, retailers -- and especially restaurants -- operate on razor-thin margins and rely on the profitability of alcohol sales for their survival. New tariffs on imported wine and spirits would harm, not help, American businesses, threatening the livelihood of tipped workers and small businesses across the country.

In fact, we estimate that a 10% tariff on imported wine and distilled spirits could result in over 38,000 American job losses across production, distribution, hospitality, and retail and nearly \$3.3 billion in lost sales. A 20% tariff could cost 74,000 U.S. jobs and nearly \$6.2 billion in lost sales.

In addition, U.S. wine and spirits products are frequent targets of tariff retaliation by foreign governments, which reduces demand for U.S.-grown agriculture products, threatening workers' livelihoods across the supply chain. From 2018 to 2021, tariffs imposed by the European Union (EU) and United Kingdom (UK) on American Whiskeys and other U.S. spirits in the steel and aluminum and large civil aircraft disputes led to a decline in the value of American Whiskey exports by 18%, and in total spirits exports by 12%.

Zero or low tariffs for wine and spirits are essential to U.S. producers' export success in foreign markets. Nearly 85% of U.S. spirits exports go to countries that eliminated tariffs on all U.S. spirits (such as EU, UK, Canada, Mexico, Japan, and Australia); the vast majority of U.S. wine exports go to countries where the import duty is low or zero. Our industry exemplifies how fair and reciprocal trade can thrive; U.S. producers enjoy equitable access to international markets, while American businesses benefit from fair access to imported products. Our industry stands as a model of mutually beneficial trade, where all parties—domestic and international—prosper.

In recent weeks, the Premiers of the three largest provinces in Canada have threatened to remove all U.S. produced alcohol from their provinces if the U.S. targets Canada with tariffs. Canada is a major export market for U.S. wine and spirits, selling U.S. wine with a retail value of more than \$1.1 billion annually.

In sum, we believe import tariffs on wine and spirits will erode access to our largest export markets, halt investments in the U.S., prevent U.S. job growth, and limit our industry's ability to capture new markets. Our wine and spirits sector colleagues worldwide, particularly in the EU, Canada and Mexico, are urging their respective governments not to impose retaliatory tariffs on U.S. wine and spirits. We are particularly concerned that the EU will reimpose its tariff on American Whiskeys at 50% on April 1, 2025, if there is no agreement on steel and aluminum or the EU does not extend the suspension of its tariff.

Thank you for this opportunity to share our views. We look forward to working with your Administration as you develop your American First Trade Policy. We welcome the opportunity to meet with you and provide any additional information you may need.

Sincerely,

American Beverage Licensees
American Craft Spirits Association
American Distilled Spirits Alliance
American Distilling Institute
American Single Malt Whiskey Commission
Arizona Craft Distillers Guild
Atlantic Seaboard Wine Association
Associated Cooperage Industries of America
California Artisanal Distillers Guild
Colorado Distillers Guild
Connecticut Spirits Trail
Distilled Spirits Council of the United States
Distillers Association of North Carolina
Florida Craft Spirits Association
Idaho Distillers Association
Illinois Craft Distillers Association
Independent Restaurant Coalition
Iowa Distillers Alliance
Kentucky Distillers' Association
Louisiana Distillers Guild
Maryland Distillers Guild
Michigan Craft Distillers Association
Montana Distillers Guild
Napa Valley Vintners
National Association of Beverage Importers
National Association of Wine Retailers
National Council of Chain Restaurants
National Restaurant Association
National Retail Federation
New Hampshire Distillers Guild
New Jersey Craft Distillers Guild
New York State Distillers Guild
North American Shippers Association
NY Wine Industry Association
Ohio Distiller's Guild
Oregon Distillers Guild
Oregon Wine Council
Pennsylvania Distillers Guild

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South Carolina Craft Distillers Guild
Tennessee Distillers Guild
Texas Distilled Spirits Association
The Maryland Wineries Association
United States Bartenders' Guild
U.S. Wine Trade Alliance
Virginia Distillers Association
Virginia Spirits Association
Washington Wine Institute
Willamette Valley Wineries Association
Wine & Spirits Wholesalers of America
Wine and Spirits Shippers Association
Wine Institute
WineAmerica

cc: Jeremy Pelter, Acting U.S. Secretary of Commerce
 Juan Millan, Acting United States Trade Representative
 Gary Washington, Acting U.S. Secretary of Agriculture