

## EU tariff threats are crushing craft whiskey distillers like me

There are more than 3,000 distilleries in the US jeopardized by EU tariff threats



Jeff Quint is founder and CEO of Cedar Ridge Distillery in Swisher, IA, and producer of Cedar Ridge Iowa Bourbon.

By Jeff Quint March 30, 2025

America's proud history as one of the <u>world's top whiskey-producing nations</u> is in grave danger from the trade war between the U.S. and European Union. If it wasn't enough for Canada to rip our products off shelves, the EU's threat of 50% tariffs on American whiskey, set to take effect on April 13, now jeopardizes decades of progress and market expansion in Europe.

President Donald Trump is right: <u>We must trade with the world</u> in a fair and reciprocal manner. That's a model that has served the spirits industry well for decades. Small whiskey distillers like me are now counting on the president to strike a deal to ensure zero-for-zero tariffs on American whiskey, starting with the EU.

<u>Much is at stake, including jobs</u>, local agriculture and centuries of progress and pride in our craft. So ingrained is whiskey in American history that George Washington himself became a major distiller of rye whiskey after his presidency. But never has our legacy as a nation of distillers been as robust as it is today.

In the past 20 years, an explosion of distilleries nationwide — from 50 in 2005 to more than 3,000 today — has taken the variety and reputation of American whiskey to new heights, expanding this subtle art to small towns such as Swisher, Iowa, where I operate my family-owned craft distillery. From these communities, our distinctive products have earned an international fanbase.

Chief among those distinctive products is bourbon, which by definition can be distilled in any state in America, not just Kentucky. American whiskeys, such as bourbon, were exported from 37 states in 2024. In recent years, bourbon has become a sensation in foreign countries, earning a place alongside other national categories like scotch (a distinctive product of Scotland) and tequila (a distinctive product of Mexico).

These international markets are essential for the growth of small distilleries. Here in the U.S., there is only so much bourbon we can sell. A 50% tariff on bourbon in the EU would hike prices sharply and curb demand just as it is taking off. Many American distilleries will be forced to stop exporting, which could lead to bourbon overcapacity in America.

I have experienced the sting of tariffs firsthand. In 2016, my craft distillery — Cedar Ridge — started the arduous but exciting process of establishing our brand in the EU. It takes three to five years to find foreign distribution partners, promote your brand and fight for shelf space in a new market before you see a dime of real profit.

We were devastated when, in 2018, just as we were getting our sea legs in Europe, the EU retaliated against U.S. steel and aluminum tariffs with a 25% tariff on American whiskey. Our business became collateral damage in a trade dispute that had nothing to do with us. The choice was either to raise our prices to cover the tariffs, eat the cost ourselves and take the loss, or pull out of the market entirely. We made the painful decision to pull out, as did many others.

At the time, the EU was the largest American whiskey export market. But between 2018 and 2021, our exports plunged 20%, from \$552 million to \$440 million. The EU suspended its tariffs in 2021, enabling exports to surge back even higher — to \$699 million last year. But many small distilleries like mine stayed out of the market due to uncertainty over whether these tariffs would be reimposed.

That uncertainty is kryptonite for a small business. It leaves us paralyzed, unable to embark on a three-to-five-year investment journey when we know the rug could be pulled out at any moment. This hurts not just our family and our 65 employees, but the local lowa farms we buy our grains from, the American manufacturers who make our barrels and bottles, and the other downstream industries that support us.

We're counting on this administration to fight for us and restore certainty in our trade relationships, first with the EU before the April 13 deadline, and then in Canada and other crucial markets. There are also many markets where we do not have fair and reciprocal trade, and we hope that the Trump administration will open those doors for our great American products.

On the line is nothing less than America's whiskey legacy — centuries old and aged to perfection.

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