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To Whom it May Concern:

The American Spice Trade Association (ASTA) is submitting information regarding the impact of COVID-19 on the spice industry in the United States (U.S.) due to the lockdown in India.

The spice industry is heavily reliant on imports from India to supply the U.S. market. Ninety nine percent of spices used in the U.S. are imported from overseas. As such, decisions made by the Indian government regarding continued food operations and exports have severe consequences for the U.S. spice supply, which in turn will impact the U.S. food industry, and U.S. consumers. In particular, the broader implications of India's government shutdown will have significant, lasting impacts on the U.S. spice supply.

ASTA was founded in 1907 and represents the interests of approximately 200 members, including companies that grow, dehydrate, and process spices. ASTA's members include U.S. based agents, brokers and importers, companies based outside of the U.S. that grow spices and ship them to the U.S., and other companies associated with the U.S. spice industry. ASTA members manufacture and market the majority of spices sold in the U.S. for industrial, food service, and consumer use. The highest priority of ASTA and our members is ensuring the supply of clean, safe spice to American consumers.

Most herbs and spices consumed in the U.S. are grown in different countries around the world and subsequently imported for processing and use in the U.S. Spices are an important ingredient used in a wide variety of food products. The U.S. food supply is designated as critical infrastructure and supply chains must remain intact to keep a continuous supply of food flowing. Without significant government intervention, the spice market, which is heavily reliant on imports, will no longer be able to meet demand. The biggest impact to the spice industry at the moment is the government lockdown in India. India is one of the world's largest spice producing countries and exported over 156 million pounds of spices to the U.S. in 2019. Indian spices make up approximately 20% of spices imported into the U.S.

With the lockdown in place, although many spices may already be harvested, the farmers are unable to bring their crops to market. Without spice markets open in India for farmers to bring crops, this causes a further breakdown in the supply chain. Products are unable to leave India because very few containers are able to get through to the ports and very few shipments are still taking place, leaving the export supply market is at a standstill. No new product is entering the market, and no product is leaving India for U.S. export.

There are no alternative supply chains for some spices in the short term, and quantities of spices that were previously shipped to the U.S. are not enough to sustain the marketplace. Without overseas supply of spices, the U.S. spice industry will not be able to function. There are huge surge orders occurring right now, pulling demand forward through many parts of the food supply, meaning that without additional supply from overseas, the spice industry could very well exhaust current supplies soon. If U.S. supply is

exhausted, companies will need make difficult choices about which orders to fill. This has the potential to shrink consumer product availability considerably, which will have a cascading impact on the food market in the U.S. A wide range of food and beverage manufacturers rely on spices as ingredients in many types of food products, including bakeries, meat companies, restaurants of all types, alcoholic beverage manufacturers, and finished food product manufacturers.

There has been a lack of clarity as to whether spice companies are part of the “critical infrastructure” in India, and the resulting inconsistent implementation within the country. Spice companies are not able to export at this time, and transportation services within the country are completely disrupted. If India does not make supply available soon, U.S. importers may be forced to turn to other less established sources of supply, which may erode long term business relationships and have a lasting economic impact.

ASTA requests that the Government of India adopt harmonized policies with its trading partners, including the United States, so that the entire food industry of India can be considered “critical infrastructure” and that international food trade should continue throughout the pandemic.

Please feel free to contact me with any questions or follow-up.

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