Prepared Statement for the Record

Submitted by the American Spice Trade Association (ASTA)

Hearing Title: The President's 2025 Trade Policy Agenda

Date: Tuesday, April 8, 2025

Location: 215 Dirksen Senate Office Building **Submitted to**: Senate Committee on Finance

Address: 219 Dirksen Senate Office Building, Washington, DC 20510-6200

Chairman Crapo, Ranking Member Wyden, and Members of the Committee:

The American Spice Trade Association (ASTA) appreciates the opportunity to submit this statement for the record and thanks the Committee for addressing critical trade policy issues impacting American businesses and consumers.

About ASTA

ASTA represents U.S. importers, manufacturers, processors, and users of spices. Our membership includes over 200 companies involved in all aspects of the spice supply chain. Last year, the U.S. imported more than \$2 billion of spices from more than 50 origin countries. These spices became essential flavoring ingredients in hundreds of billions of pounds of food produced by American food manufacturers and consumed by American citizens.

Tariff Concerns and Recommendations

ASTA has <u>urged</u> the Administration to implement a tariff exclusion process and to exempt from tariffs spices that are not commercially grown in the United States. Many essential spices—such as black pepper, vanilla, cinnamon, and nutmeg—require tropical climates and cannot be cultivated domestically on a commercial scale. Imposing tariffs on these products does not support U.S. agriculture or job creation. Instead, it places a significant financial burden on U.S. food manufacturers, restaurants, and ultimately, American consumers.

The impact of these tariffs is particularly acute in the current economic environment, where food price inflation remains a serious concern for American families. Tariffs on essential spice imports increase costs for food manufacturers and food service businesses, who may, in turn, reduce expenses elsewhere—potentially including workforce reductions or cuts to other operating areas.

ASTA respectfully requests that spices and agricultural commodities that cannot be produced in commercial quantities in the United States be excluded from tariff lists or subject to reduced tariff rates. This would provide much-needed relief to American businesses and help reduce pressure on food prices for consumers.

Member Company Testimonial – The Spice House

We also wish to highlight the real-world impact of these tariffs through a testimonial submitted by one of our member companies, The Spice House, a Midwestern spice company with deep roots in both Illinois and Wisconsin. The following statement was provided by Allison Lewis of The Spice House:

"The Spice House is a Midwestern spice company, founded in Milwaukee in 1957 and now based in Illinois, with retail stores in both IL and WI. Our fastest-growing retail store continues to be our Milwaukee Public Market location, which attracts locals and tourists alike. We have a 30,000+ sq ft manufacturing facility in IL, where we grind and blend fresh spices daily, and we have spent over 60 years curating our global network of premium growers and distributors in order to offer our customers unrivaled quality and selection. Between our manufacturing facility, fulfillment warehouse, four retail locations, and corporate office, we employ over 100 people throughout the year in the Midwest and are proud to offer good jobs to people in our communities who love cooking as much as we do."

"As you know, a significant portion of the spices we source are grown outside of the United States. Many of the spices that we rely on, such as black pepper from India and saffron from Spain, are not cultivated domestically due to the specific climates and conditions required for their growth. As a result, we must source these products from a variety of global regions, including countries in Asia, Africa, and Latin America. Some specific examples are below:

- *Kampot Peppercorns Cambodia 49% tariff*
- Vanilla Madagascar 47% tariff
- Cassia Cinnamon Vietnam 46% tariff
- *Tellicherry Peppercorns India 26% tariff*
- Spanish Saffron EU 20% tariff

"The imposition of tariffs on these imported spices creates several challenges, including increased procurement costs, supply chain disruptions, and potential shortages. These tariffs directly impact our pricing structure, as we will have to adjust to reflect the additional import costs. Furthermore, fluctuations in international trade policies create uncertainty, making it harder to maintain consistent pricing and availability."

"We are very proud of the fact that we manufacture our spices domestically and operate an inhouse manufacturing plant and warehouse that employs over 100 people throughout the year. However, the global nature of the spice trade is putting our small business at risk, increasing costs that we will not be able to absorb. We respectfully request that spices imported for domestic manufacturing be excluded from tariffs so that we can continue to offer high-quality products to the American people at accessible prices."

Conclusion

ASTA thanks the Committee for the opportunity to provide this input and for considering the unique challenges faced by the spice industry. We look forward to continued collaboration to ensure trade policies support American food manufacturing, jobs, and consumers.