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Robby S. Saunders
Deputy Assistant Secretary for Technology Security
US Department of Commerce
Bureau of Industry and Security
1401 Constitution Avenue NW
Washington, DC 20230

Via regulations.gov

Comments in response to requests for expansion of Section 232 steel and aluminum tariffs on imports of spices submitted by Can Manufacturers Institute, American Fruit & Vegetable Coalition, Midwest Food Products Association and Red Gold

Document IDs: BIS-2025-0023-0676, BIS-2025-0023-0639, BIS-2025-0023-0693 and BIS-2025-0023-0699

Dear Ms. Saunders,

Several organizations have recommended inclusion of several tariff lines (see Annex A) that our members use to import spices into the United States onto the expanded Section 232 steel and aluminum list. On behalf of the American Spice Trade Association (ASTA) and our members, we strongly oppose the expansion of Section 232 steel and aluminum tariffs to include any imported spices and submit these comments in response to all four requests.

About ASTA and our sector

ASTA was founded in 1907 and represents the interests of more than 200 members, including American companies that grow, dehydrate, and process spices. ASTA 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 U.S. spice industry is a critical part of the American food system, supplying essential ingredients to food manufacturers, restaurants, and consumers. Spices naturally add flavor to healthful foods that nourish every American family on a daily basis and are essential inputs to the \$9.4 trillion American food industry, which employs millions of American citizens. Last year, the U.S. imported more than \$2 billion of spices from more than 50 origin countries, the majority from low- and middle-income countries in Asia, Southeast Asia and southern Africa. The importation of spices directly supports approximately 50,000 U.S. jobs across processing, quality assurance, distribution, and product development.

Most spices, including black pepper, cinnamon, turmeric, ginger, nutmeg, vanilla, and cloves, require tropical conditions and cannot be cultivated on a commercial scale within the United States due to climate and geographical limitations. Because most spices cannot be grown domestically, the industry relies on global sourcing. ASTA <u>welcomed</u> the Administration's publication of the Potential Tariff Adjustments for Aligned Partners (PTAAP) Annex on 5 September (also known as Annex III) outlining the list of unavailable natural resources in which only MFN tariffs will apply as part of bilateral agreements, and the inclusion of most spices in the Annex. This action by the Administration underscores the importance of access to spices to support U.S. manufacturing as well as efforts to advance Make America Healthy Again initiatives through consumption of natural and wholesome flavors as part of U.S. consumers' diets.

We request that Commerce not include spices on the list of goods included in Section 232 steel and aluminum tariff action given the current trade policies already in place and the administrative burden this would create.

Tariffs and tariff policies already address spice imports.

- Tariffs are already applied on imported spices, whether or not in steel/aluminum packaging.
 U.S. IEEPA tariffs currently range from 10% to 50% on imported spices. Only if bilateral
 agreements are concluded will our sector potentially be able to reduce tariff costs on certain
 spices for consumers and manufacturers. Stacking any steel and aluminum tariffs on the
 packaging -- whether cans or metal parts (such as grinders, etc.) is a direct cost to the U.S.
 consumer, and will result in higher grocery prices.
- Unavailable natural resources on Annex III should not be hit with other tariffs. President Trump and Commerce Secretary Lutnick's action to establish Annex III clearly demonstrates intent to avoid applying additional tariffs on goods that are designated as natural resources not available in the United States. The Administration has provided a strong message that U.S. consumers should not be expected to pay higher tariffs on goods we cannot grow in the United States or produce in sufficient quantities. We believe this objective extends to Section 232 tariffs targeting steel and aluminum components of packaging used to transport unavailable natural resources.

Administrative burden is large for small value of packaging.

• Most spices are <u>not</u> imported in tins or cans and any metal components/packaging represent a small part of the value of the import. Many spices are imported in bulk. Those spices imported for retail sale may be packaged in glass bottles, plastic packaging, or tins with some spice packages incorporating a small component of metal as part of grinders, for instance. The majority of imported spice packages do not include metal packaging. While some spice packaging formats may include small metal elements, such as steel or aluminum parts used in grinders or closures, these components are incorporated for functionality and product integrity and are not a significant portion of the product's value. We believe expansion to include such spices will disproportionately target those importers – including small importers – that use or incorporate any metal as part of their packaging, e.g., ground

pepper of 0904.12 in tin packaging or even uncrushed/unground pepper of 0904.11 with a metal grinder in the plastic cap.

- We anticipate foreign spice growers and processors using metal components in their packaging likely do not know the origin of the metal components. Since most U.S. imports of spices come from non-FTA partners, there are no rules of origin to qualify products with information on source country of inputs or packaging and therefore likely no existing infrastructure in place to undertake such a determination on packaging. We anticipate significant resources would be required to determine the origin of metal packaging or components most used at nominal levels compared to the value of the spices and likely not moving the needle to address capacity issues in the United States.
- Spice importers do not routinely collect or maintain information on the contribution of
 metal content to the total value of the imported product. Accurately determining this
 information would require new complex and burdensome analyses that are
 disproportionate to the *de minimis* value of these components and the overall tariff burden
 for imported spices. Complying with Sec 232 tariffs for these products would impose
 unnecessary administrative burdens without providing meaningful impact on trade.
- US origin steel and aluminum exports appear not to be a viable option for sourcing. Most
 U.S. exports of steel and aluminum appear to be primarily destined for construction and
 infrastructure projects in export markets, not for food packaging. For instance, the U.S.
 International Trade Administration's <u>US Steel Exports Report</u> notes that 2024 exports of
 steel to India, a top spice producer, totaled 23,363 MT, a relatively low volume, so not
 included in the top 5 export markets in any steel category. As such, U.S.-origin metal for
 food packaging does not appear readily available as an option. We request that spice
 producers not be penalized when U.S. origin metals cannot be sourced.

Thank you for the opportunity to provide our comments in response to the four submissions requesting spice products be included in expanded Section 232 tariff action on steel and aluminum. We trust we have demonstrated that spices should be out of scope given typical formats for imports, minimal steel/aluminum packaging used, and for those products that do incorporate steel/aluminum in the packaging, both the administrative compliance burden in determining contribution of any minor metal components, and limited opportunities to source US origin metals. Please let us know if you have any questions or require further information.

Sincerely,

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Annex A: Spices tariff codes targeted

Can Manufacturers Institute: targeting spices of 0904, 0909, 0910; fruits of the genus *Capsicum* (peppers) or of the genus *Pimenta* (e.g., allspice) of 2005.99.5x; and mustard flour and meal of 2103.30.20

0901.21.00, 0901.22.00, 0904.21.20, 0904.21.40, 0904.21.60, 0904.21.80, 0904.22.20, 0904.22.40, 0904.22.73, 0904.22.76, 0904.22.80, 0909.21.00, 0909.22.00, 0910.20.00, 0910.30.00, 0910.99.05, 0910.99.06, 0910.99.07, 0910.99.20, 0910.99.40, 0910.99.50, 2005.99.50, 2005.99.55, 2103.30.2000

American Fruit and Vegetable Coalition, Midwest Food Products Association, and Red Gold:

targeting fruits of the genus *Capsicum* (peppers) or of the genus *Pimenta* (e.g., allspice) of 2005.99.5x

2005.99.50, 2005.99.55