



Comments of the Brewers Association on the Joint Review of the USMCA

Docket Nos. USTR-2025-0004 (Comments) and USTR-2025-0005 (Hearing)

Request for Public Comments and Notice of Public Hearing Relating to the Operation of the Agreement Between the United States of America, the United Mexican States, and Canada (USMCA)

Submitted by: Brewers Association

Date: 10/31/25

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The Brewers Association (BA), the national trade association representing America's 9,000+ small and independent breweries, urges USTR, in the lead-up to the USMCA Joint Review on July 1, 2026, to safeguard seamless North American supply chains. Most urgently, brewers rely on two critical inputs to U.S. beer production: (1) aluminum used to make U.S. can sheet and can ends (lids); and (2) barley and malted barley. More specifically, BA requests that the United States continue to maintain and duty-free, predictable access to Canadian barley and malted barley under the USMCA and to extend USMCA-origin goods status to Canadian aluminum while the U.S. ramps up production to meet its domestic aluminum needs.

The Brewers Association is a 501(c)(6) not-for-profit national trade association of brewers, for brewers and by brewers. We have roughly 5,000 U.S. professional brewery members and over 1,200 supplier members from throughout the beer supply chain. Our mission is to promote and protect American craft brewers and their beers.

Small and independent breweries operate on thin margins and buy packaging and ingredients through fragmented supply channels. When tariffs, surcharges, or scarcity ripple through barley or aluminum markets, small brewers cannot easily absorb or pass through the costs. With integrated barley and barley malt markets and cans accounting for the majority of beer volume, duty-free and predictable access is a practical way the USMCA Joint Review can support local manufacturing jobs and manufacturers.

1. Preserve Duty-Free Access for U.S. Brewers to Canadian Barley & Barley Malt

Canada is a leading producer of malting barley, and the U.S. is a top destination for Canadian barley malt.¹ The barley (HTSUS 1003) and barley malt (HTSUS 1107) market in North America is

¹ Barley is grown for many reasons, but primarily for malting for later use in brewing. The malting process turns starches in barley grain into sugars through an arrested germination process. The resulting barley malt, often known simply as malt, contains the sugars necessary to power the fermentation process at the center of the brewing process.

an integrated system with barley and barley malt regularly crossing the national borders. Because of the scale of malting operations and the need to blend product to meet quality specifications, U.S. and Canadian grown barley are often mixed during processing and U.S. brewers purchasing from American-owned plants are often purchasing Canadian barley. The United States consistently ranks as the largest market for Canadian malt, supplying breweries of all sizes.

The growing conditions required for barley mean that the leading US states for barley (Idaho, Montana, and North Dakota) all border Canada, with Canada growing about 2.5 times as much barley as the U.S. In 2023-24, the U.S. imported \$153.6M and \$59.1M worth of barley respectively and \$225.7 and 230.7M worth of barley malt from Canada. Today independent U.S. owned brewers source around 40% of their barley malt needs from Canadian sources.

We do not foresee a substantial change in barley availability in the next year or more. Barley plantings in the U.S. will *decline* by c. 6% in 2025, so any ability to source barley solely from U.S. sources remains years away. This follows a decades-long pattern of declining U.S. barley production.² A substantial expansion of barley production in the U.S. today would push acreage into areas where the climate for barley is less optimal, potentially making such barley sub-optimal or inefficient to grow. In addition, structural factors such as the greater subsidies provided for corn cultivation versus barley cultivation further reduce the likelihood of substantial increases in U.S. barley production in the foreseeable future. We accordingly request that the United States work to extend duty-free treatment for USMCA-origin barley and barley malt.

2. Include Canadian-Origin Aluminum under USMCA and End Section 232 Tariffs on Such Aluminum

Cans are the dominant beer package in the U.S. Today over 70% of all beer produced by small and independent brewers is packaged and sold in aluminum cans. Any new cost or uncertainty for can body sheet or can ends translates directly into higher costs for small breweries.

The United States remains structurally short of primary aluminum for can-grade sheet and tab/end stock and relies heavily on Canadian inputs. Domestic smelting capacity is constrained and difficult to expand quickly. Given this reality, reliance on imported aluminum will remain necessary for at least several years. The U.S. should ensure that such aluminum comes from strategy sound sources like Canada, instead of countries like China, which heavily subsidizes their aluminum industry.

Recent tariff volatility arising primarily from Section 232 measures has been magnified by operation of the opaque North American pricing mechanism for aluminum, known as the “Midwest Premium.” Since the beginning of the year, these pressures have added roughly two cents to the price of each twelve-ounce can of beer, and that additional cost is then multiplied further by distributor and retailer markups. The result translates to price inflation for U.S. consumers.

² See Statista, *Total U.S. Barley Plantings and Harvestings*, available at https://www.statista.com/statistics/191110/total-us-barley-plantings-and-harvestings-since-2000/?srsltid=AfmBOoqGZCNwzAHK43AgQNI1Q5BGxwYD4C_vSeYf01hwJcidU9yOuGcB.

Targeted North American tariff relief for aluminum under the umbrella of USMCA or otherwise can remove inflationary pressures and stabilize supply while more U.S. smelting capacity comes online. The Joint Review should work to find and lock in that stability.

We accordingly request that USMCA-origin aluminum return to duty-free status under USMCA commitments. USTR should also clarify rules of origin guidance for can body sheet and ends to ensure that aluminum derivative products entering the United States do so only where aluminum is sourced from USMCA countries.

3. USMCA is Crucial for Small American Manufacturers

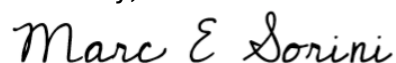
While our comments have focused on the two Canadian inputs small brewers most rely on, we wish to underscore the importance of USMCA to small brewer supply chains generally. U.S. brewers sometimes source bottle caps, closures, fittings, specialty parts, and some brewing equipment components from Canada. Imposing tariffs on such goods would further disrupt small brewers' supply chain and drive-up costs, either directly via the tariffs or indirectly as demand suddenly increases for duty-free sources of the tariffed good.

As an association of American manufacturing businesses, we support policies that help grown and sustain U.S. manufacturing and jobs. Nevertheless, reasonable and fair trade within the USMCA trading area has helped our members' businesses. We accordingly urge USTR to work towards extending USMCA. Should any change or withdrawal be contemplated, care must be taken to phase in those changes to avoid shocks to the supply chain that could jeopardize our members.

Conclusion

The Brewers Association urges USTR to prioritize in the Joint Review: (1) continued duty-free trade in barley and barley malt within North America; and (2) duty-free treatment and predictable handling of USMCA-origin aluminum inputs. Duty-free treatment of these critical inputs steps keep costs in check for small brewers and consumers and preserve the tens of thousands of manufacturing jobs created by America's small and independent breweries.

Sincerely,



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Brewers Association

Cc: Bart Watson, CEO