BREWERS ASSOCIATION ®

July 6, 2026

Submitted via USTR Comments Portal

Brewers Association Comments on Proposed Section 301 Tariffs

Docket No. USTR–2026–0265

Re: Request for Comments Concerning Actions in Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor

The Brewers Association is a 501(c)(6) not-for-profit trade group that promotes and protects American craft brewers. Representing America's 9,500+ breweries along with allied trade professionals, wholesalers, retailers, and other beverage alcohol professionals – it is an organization of brewers, for brewers, by brewers.

The BA appreciates the opportunity to comment on the Office of the United States Trade Representative's notice of determinations and request for comments concerning proposed actions in the Section 301 investigations related to forced labor import prohibitions. The BA shares an interest in lawful, transparent, and responsible trade, ensuring that goods made with forced labor do not distort markets or undermine fair competition. The BA, an association of U.S. manufacturers, also shares the Administration's goal of supporting U.S. manufacturing businesses and jobs.

While we support the goals of the Section 301 investigation, small and independent breweries operate on thin margins and depend on predictable access to ingredients, packaging, and equipment. Sudden increases in cost to any part of that supply chain are difficult for small brewers to absorb and can affect brewery operations, jobs, pricing, and consumer choice. These changes can negatively impact our U.S. manufacturing businesses, and the U.S. manufacturing operations (e.g., U.S. aluminum can producers) they source from. We accordingly take this opportunity to highlight some of the cost pressures tariffs impose on small and independent U.S. brewers.

1. **Additional Tariffs Will Only Add Headwinds to Small U.S. Manufacturers**

The proposed section 301 tariffs will only add to rising cost headwinds facing U.S. craft brewers. While U.S. and Canadian barley malt makes up the backbone of the supply for U.S. brewers, certain specialty varieties can only be procured abroad and cannot be replaced by U.S. sources. Tariffs on the EU and UK will add to the cost of these specialty ingredients.

And while the U.S. is a large producer of hops, craft brewers also use specific varietals from around the world to produce unique flavors and aromas. These generally cannot be replaced by domestic hops, as hop varietals have specific flavor profiles and growing regions. Specialty hops from Australia, the EU, New Zealand, and the UK would carry additional duties.

Some brewing processing and packaging equipment, such as centrifuges, filters, separators, and dealcoholization systems, often originate from abroad, particularly the EU. Domestic replacements for such specialized equipment is not always available.

Finally, certain specialty beer products are sealed with cork closures like wine (cork is excluded from the proposal, but only for aircraft). The U.S. does not produce a meaningful amount of cork, with the EU standing as the near-exclusive source for producers in the U.S. For brewers using cork seals for certain beers, re-tooling to package in different formats would be expensive and time-consuming.

In short, craft brewers are already facing multiple economic headwinds and additional supply chain shocks imposed by tariffs will add strain to their already thin margins.

2. **U.S. Craft Brewers Already Labor Under a Substantial Tariff Burden**

Tariffs, particularly the Section 232 tariff on aluminum, currently place a substantial burden on small U.S. brewers as cans are the dominant beer package domestically. Today close to 80% of all beer produced by small and independent brewers is packaged and sold in aluminum cans. Tariffs on aluminum translate directly into higher costs for small breweries.

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

Recent tariff volatility arising from Section 232 measures has been magnified by operation of the opaque North American pricing mechanism for aluminum, known as the “Midwest Premium,” which surpassed $1 per pound earlier this year, and is close to $2,300 per metric ton. These pressures have, in turn, increased 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.

Ironically, recent changes in the administration of the Section 232 aluminum tariffs have put U.S. brewers at a greater disadvantage in relation to foreign competitors. On April 6, 2026, the Administration adjusted the implementation of the 232 tariffs to exempt the value of aluminum used to can imported beer. As a result, today U.S. brewers' cans are subject to the effects of the 232 tariffs, while the cans used by breweries outside the U.S. who then sell that beer back into the U.S. market are not.

Targeted 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. While not the specific subject of the pending section 301 process, we reiterate our desire to see meaningful relief from aluminum tariffs.

Finally, we take this opportunity to highlight that Canada is a leading producer of malting barley, with the U.S. is a top destination for Canadian barley malt. Independent U.S. owned brewers source around 40% of their barley malt needs from Canadian sources. We accordingly see extension of duty-free treatment for USMCA-origin barley and barley malt as critical to the financial health of U.S. craft brewers. Given the close relationship between the U.S. and Canada, we continue to believe USMCA duty-free treatment should be extended to Canadian aluminum.

Aluminum tariffs already place a significant cost burden on small U.S. brewers because aluminum cans are the dominant packaging format for craft beer, and the proposed Section 301 tariffs would further intensify these pressures by increasing costs across critical supply chains.

Conclusion

The BA urges USTR to avoid imposing additional broad-based tariffs that would further increase costs for small and independent U.S. brewers already facing substantial tariff-related pressures. Additional duties on brewing inputs would raise costs for small U.S. manufacturers, increase prices for consumers, and create further uncertainty across the beer supply chain.

Additionally, the BA respectfully reiterates the need to provide our U.S. manufacturing businesses with relief from aluminum tariffs. Maintaining predictable, stable trade is essential to the continued competitiveness, stability, and financial health of small and independent breweries across the United States.

Respectfully submitted,

Marc E Sorini

Marc E. Sorini
Vice President of Government Affairs
Brewers Association

CC: Bart Watson, President & CEO