Bryant Christie Inc.

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ISSUES REVIEW

A Customized Report for the U.S. Hop Industry

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EU's New Vision for Agriculture and Food Published

On February 19, the European Commission released its "Vision for Agriculture and Food" outlining its future policy goals. This document reconfirms the Commission's strong dedication to reducing pesticide use within the EU while ensuring agricultural productivity. This "Vision" will guide the creation of new policies and the enforcement of current regulations.

The European Commission is committed to these key objectives regarding pesticides:

- **Promote Alternatives:** Consider alternative products when restricting pesticides. This includes speeding up access to biopesticides within the EU and promoting methods like integrated pest management (IPM), precision agriculture, and biological control.
- **Faster Risk Assessments:** Increase resources for the European Food Safety Authority (EFSA) to quicken risk assessment procedures.
- **Level the Playing Field for Imports:** Apply EU production standards to imported products (known as the "mirror clause") to ensure fair competition for EU farmers.
- **Prevent Re-Entry of Banned Pesticides:** Establish a rule that highly hazardous pesticides, banned in the EU for health and environmental reasons, cannot re-enter the EU through imported products.
- **Strengthen Global Standards:** Collaborate with international bodies to reinforce agreed commitments and elevate global standards for plant protection products and animal welfare.
- **Consider Export Ban:** Evaluate whether to prohibit the export of pesticides that are banned in the EU.
- **Improve Monitoring:** Enhance monitoring and enforcement through better surveillance, data collection, and transparency about pesticide use and residues.

- **Inform Consumers:** Improve labeling and information campaigns to help consumers choose pesticide-free or low-residue products.

Despite shifting geopolitical and climate challenges, the EU remains committed to tightening pesticide regulations. Whether through lower MRLs, applying EU production standards to imports, or pushing for stricter international standards, the Commission continues to prioritize reducing pesticide use. Exporters to the EU should prepare for evolving import requirements and may need to adjust their production processes to comply with these stricter standards.

Impact Assessment and Delays

The impact of the Commission's 'Vision' can already be noted in discussions at the Standing Committee on Plants, Animals, Food and Feed (SCoPAFF).

Specifically, the Commission intends to conduct an **impact assessment for non-approved substances**. This step aims to prevent pesticides banned in the EU from re-entering the market via imported products. This impact assessment will also consider the **competitive and international implications** before any changes to the legal framework are proposed. Consequently, this requirement for an impact assessment may initially delay the Commission's actions on EU MRLs for substances no longer approved in the EU.

At the June SCoPAFF meeting, the Commission presented an updated table of non-approved substances. This table notably introduced a new "**on hold**" category, specifically listing active substances that will be reviewed only after the aforementioned impact assessment, announced in the "Vision for Agriculture and Food," is completed. As a direct result, there were no discussions concerning **myclobutanil** (Rally) or **quinoxyfen** (Quintec), two priority substances for the hop industry, during this meeting.

<u>Bifenazate (Acramite) MRL Developments</u>

The EU lowered the MRL for **bifenazate** on hops from 20 ppm to 0.05 ppm on **October 14, 2024**. The registrant, UPL, has developed and submitted new data to reinstate the European uses and MRLs. Preliminary MRL review results indicate the hop MRL could be reinstated at 20 ppm if bifenazate is reapproved in the EU. A discussion of bifenazate was included in the SCoPAFF agenda for the July 9-10 meeting. This is an initial update, and a draft proposal has not been released yet; however, it serves as an indication that the process is moving forward. Unfortunately, the review process is lengthy, and results are expected only in Q3/Q4 2026.

<u>Specific EU Hop MRL Updates</u>

As of July 2025, there are **82** hop MRLs established in the European Union with corresponding U.S. MRLs. Since January 2025, the EU has established **one** hop MRL:

<u>Established MRL</u>:

- **Fosetyl-al** (Aliette): established EU MRL (1,500 ppm) is less restrictive than the U.S. MRL (45 ppm) and is harmonized with the Codex MRL.
    - *Please note that the difference in U.S. and EU MRLs is due to differences in the residue definitions*.

EU and U.S. Hop Industries Renew Partnership to Address MRL Challenges

The German hop organizations have renewed their strategic partnership with the U.S. hop industry for 2025. The Czech hop industry has joined with the German organizations, strengthening EU hop representation. This collaboration continues the joint efforts to address MRL challenges both within the EU and globally.

As part of this partnership, leaders from both countries regularly meet as a Steering Committee. The last Steering Committee meeting was held in early July. Additionally, U.S. hop representatives participate in the EU Commodity Expert Working Group (CEG) for hops. This group includes all European hop-growing regions and focuses on reviewing EU pesticide and MRL regulations. The next CEG-Hop meeting is scheduled for October 2025.

Great Britain MRLs *(Nealta MRL Established)*

In January 2025, Great Britain established a new MRL for **cyflumetofen** (Nealta) on hops at 15 ppm, which is harmonized with the Codex MRL, but is more restrictive than the U.S. and EU MRLs (30 ppm).

As of July 2025, there are **82** hop MRLs established in Great Britain with corresponding U.S. MRLs. Since January 2025, Great Britain has established **two** hop MRLs:

<u>Established MRLs</u>:

- **Cyflumetofen** (Nealta): established GB MRL (15 ppm) is more restrictive than the U.S. and EU MRLs (30 ppm) but is harmonized with the Codex MRL. *(see above)*
- **Oxathiapiprolin** (Orondis Gold): established GB MRL (5 ppm) is harmonized with the U.S. and Codex MRLs, but is more restrictive than the EU MRL (8 ppm).

Codex MRLs *(Codex MRLs for Abound and Onager Proposed)*

The 56th session of the Codex Committee on Pesticide Residues (CCPR) was postponed to September 2025. BCI's **Alinne Oliveira** will attend as part of the U.S. delegation, and **Aya Stockton** will also attend as an observer. The meeting will consider two hop MRLs recommended by the FAO/WHO Joint Meeting on Pesticide Residues (JMPR), which met in September 2024, which are:

- **Azoxystrobin** (Abound): proposed MRL at 40 ppm, harmonized with the EU MRL, and is less restrictive than the U.S. MRL (20 ppm).
- **Hexythiazox** (Onager/Ordovol/Optek): proposed MRL at 20 ppm, harmonized with the U.S. MRL.

These MRLs will be considered during the CCPR meeting that will take place in Santiago, Chile in September 2025. If approved, they should be in place by the end of 2025.

In 2026, CCPR is expected to consider the results of the JMPR's reviews carried out in 2025. The following MRLs are scheduled to be reviewed by JMPR in 2025 and considered by CCPR in 2026:

- **Cyantraniliprole** (Exirel): the U.S. MRL is 70 ppm, and the EU MRL is at LOD (0.05 ppm).
- **Clethodim** (Select Max/Shadow): the U.S. MRL is 0.5 ppm, and the EU MRL is 0.1 ppm.
- **Acequinocyl** (Kanemite): the U.S. MRL is 15 ppm, and the EU MRL is 20 ppm.
- **Spidoxamat**: New substance. No U.S. MRL, EU MRL is 0.01 ppm.
- **Mefentrifluconazole** (Revysol): Currently, there is no hop MRL established in the U.S. and the EU MRL is 15 ppm. Data to support this MRL at Codex was not submitted this time around. Once a label is approved in the U.S., there will be a new request to establish a Codex MRL for mefentrifluconazole on hops.

New Codex Engagement

The International Hop Growers' Convention (IHGC) has prepared its application for "observer status" in Codex to attend its meetings and put forward their views at every stage of the standard-setting process. This will allow the world hop industry to attend Codex meetings, engage via working groups, raise issues of concern, and bring awareness of the impact of MRL-related issues on the industry. The observer status will be key for the industry to engage in any upcoming discussions related to channels of trade policies.

Indian MRLs: Advancing MRL Discussions and Industry Harmonization

(Advancing MRL Discussions in India)

In March 2025, Hop Growers of America's (HGA) **Jessica Stevens** and **Maggie Elliot** joined BCI's Alinne Oliveira on a trip to India, where the objective was to delve deeper into India's MRL system, specifically to determine the feasibility of requesting import MRLs for hops. They also aimed to follow up with contacts from a previous visit to assess any changes in the MRL system.

A significant finding from the trip is that India currently lacks a system for establishing import tolerances within its regulations, nor does it automatically defer to Codex standards. However, the CEO of the Food Safety and Standards Authority of India (FSSAI) expressed India's willingness to discuss the industry's MRL needs bilaterally with the U.S. government, recommending that this issue be added to the bilateral agenda to determine a path forward.

FSSAI's confirmation of its willingness to discuss the adoption of import MRLs with the U.S. government marks a major accomplishment. USHIPPC has already relayed this crucial information to the U.S. Embassy in Delhi, which will coordinate the next steps with other relevant U.S. government departments.

Another key achievement of the trip was the strengthening of previously established relationships in India, alongside making a vital first contact with the FSSAI.

Moving forward, USHIPPC will continue to work closely with the U.S. government to strengthen these connections, enabling the establishment of a comprehensive strategy to address and promote the harmonization of India's MRLs with Codex standards.

BCI has also approached the U.S. Trade Representative's Agriculture office requesting that a clause be entered in any bilateral agreement that states that for the instances where there is no MRL established in India, the country will defer to Codex MRLs and, if no Codex MRL is in place, to established U.S. MRLs. Such a clause would go a long way in addressing any potential concerns with shipments to India. It remains to be seen whether such a clause will be included, and if any final agreement is reached.

Japan MRLs *(Japan Proposes New Apollo MRL)*

In June, Matt Lantz of BCI led a delegation of U.S. agricultural groups to Tokyo to review the Japanese MRL setting process for the first time in 20 years. This trip was part of the USDA's ASCE MRL initiative. Matt represented hops and discussed Japanese import tolerance application processes and testing protocols. Fortunately, through the efforts of BCI from 2004-2006 in the lead up to the positive list transition, the U.S. hop industry is well covered in Japan and has had no issues in the market. New MRLs will be sought as needed. It is taking at least two years to have an MRL in place in Japan.

In July 2025, Japan officially proposed a new MRL for **clofentezine** (Apollo) on hops at 7 ppm, which is harmonized with the U.S. and Codex MRLs. **This is great news for the industry.** In January 2018, Japan withdrew the MRL for clofentezine on hops to the default level of 0.01 ppm. In January 2023, the registrant, ADAMA, submitted an import tolerance application, which Japan's Consumer Affairs Agency (CAA) and Ministry of Health, Labor, and Welfare (MHLW) found to be acceptable and was subsequently approved.

As of July 2025, there are **70** hop MRLs established in Japan with corresponding U.S. MRLs. Since January 2025, Japan has established **two** and proposed **one** hop MRLs:

<u>Established MRLs</u>:

- **Flutianil** (Gatten): established Japanese MRL (2 ppm) is harmonized with the U.S. MRL and is less restrictive than the EU MRL (0.05 ppm).
- **Paraquat dichloride** (Gramoxone): established Japanese MRL (0.1 ppm) is more restrictive than the U.S. MRL (0.5 ppm), but is harmonized with the Codex MRL, and is less restrictive than the EU MRL (0.05 ppm).

<u>Proposed MRL</u>:

- **Clofentezine** (Apollo): proposed Japanese MRL (7 ppm) is harmonized with the U.S. and Codex MRLs and is less restrictive than the EU MRL (0.05 ppm). *(see above)*

Korean MRLs

In June, Matt Lantz of BCI led a delegation of U.S. agricultural groups to Korea to review the Korean MRL setting process. This trip was part of the USDA's ASCE MRL initiative. Matt represented hops and discussed Korea import tolerance application processes and testing protocols. Fortunately, through the efforts of BCI in the lead-up to the positive list transition, the U.S. hop industry is well covered in Korea. New MRLs will be sought as needed.

As of July 2025, there are **52** hop MRLs established in Korea with corresponding U.S. MRLs. Since January 2025, Korea has proposed **three** hop MRLs:

<u>Proposed MRLs</u>:

- **Cyantraniliprole** (Exirel): proposed Korean MRL (10 ppm) is more restrictive than the U.S. MRL (70 ppm) but is less restrictive than the EU MRL (0.05 ppm).
- **Etofenprox** (Procure): proposed Korean MRL (20 ppm) is less restrictive than the U.S. MRL (5 ppm) and the EU MRL (0.05 ppm).
- **Spinetoram** (Delegate WG): proposed Korean MRL (10 ppm) is more restrictive than the U.S. MRL (22 ppm) but is less restrictive than the EU MRL (0.1 ppm).

Taiwan MRLs *(BCI Travels to Taiwan to Talk MRLs with TFDA)*

In May, BCI's Matt Lantz and Alinne Oliveira traveled to Taipei as part of the USDA's ASCE MRL initiative to begin engagement with Taiwan authorities on MRL establishment in the market. Although Taiwan has many MRLs, including on hops, the market is missing many MRLs, and they test and reject shipments, which has posed challenges for U.S. agriculture.

Lantz and Oliveira met with the American Institute in Taiwan (AIT-the U.S. Embassy), CropLife Taiwan, and the Taiwan Food and Drug Administration (TFDA). TFDA reported that import tolerances can be sought in the market, but their process takes at least two years. TFDA claimed their process was transparent, but CropLife Taiwan is seeking further updates once a submission has been made.

In a strange discussion, BCI asked TFDA about hop MRLs in Taiwan. TFDA said that if the alcohol content in the beer was below five percent, TFDA would be the group reviewing the hop MRL application. If the content was higher than five percent, the equivalent of the Tobacco, Alcohol, and Firearms Division would be responsible for the review. This did not make sense to BCI, as the content of the beer is a process undertaken after the importation of the hops, and only TFDA knows how to review pesticides. BCI stated that all applications would be for content under five percent, and TFDA should conduct the review.

As of July 2025, there are **42** Taiwanese MRLs established on hops with corresponding U.S. MRLs. Since January 2025, Taiwan has established **one** hop MRL:

<u>Established MRL</u>:

- **Flutriafol** (Topguard/Rhyme): established Taiwanese MRL (10 ppm) is more restrictive than the U.S. and EU MRLs (20 ppm).

Australian MRLs *(Australia Establishes Three New Hop MRLs)*

Through Australia's FSANZ MRL harmonization request system, the U.S. hop industry has successfully secured numerous MRLs. During the 2024 harmonization request period, the U.S. hop industry submitted requests for **flutianil** (Gatten), **cyantraniliprole** (Exirel), and **pymetrozine** (Fulfill). These requests are currently under review, and the results will be available in the coming months.

As of July 2025, there are **78** hop MRLs established in Australia with corresponding U.S. MRLs. Since January 2025, Australia has established **three** hop MRLs:

Established MRLs:

- **Broflanilide** (Cimegra): established Australian MRL (0.002 ppm) is more restrictive than the U.S. and EU MRLs (0.01 ppm).
- **Indaziflam** (Alion): established Australian MRL (0.06 ppm) is harmonized with the U.S. MRL and is less restrictive than the EU MRL (0.01 ppm).
- **Oxathiapiprolin** (Orondis Gold): established Australian MRL (5 ppm) is harmonized with the U.S. and Codex MRLs but is more restrictive than the EU MRL (8 ppm).

USDA's ASCE Initiative

Efforts to enhance market access for U.S. specialty crops are ongoing through the USDA's Foreign Agricultural Service (FAS) **Assisting Specialty Crop Exports (ASCE) initiative**. Since our last report, several key activities have taken place. In April 2025, Maggie Elliot represented the industry at a Stakeholder Group meeting. Additionally, as reported above, BCI's Matt Lantz joined the ASCE delegation to Korea and Japan in June to discuss **MRL policy issues**, including their import MRL application systems and enforcement policies.

The U.S. hop industry has also provided the ASCE MRL team with **20 priority import MRL needs** across Japan, Korea, Taiwan, and Codex. The ASCE MRL projects will pursue import MRLs for those priorities where available data fulfills the foreign data requirements.

Furthermore, a new **hop MRL Quick Reference Sheet (QRS)** has been published and will be updated biannually. You can access the MRL QRS here.

BCI continues to review international MRL changes around the world that might impact hops. In 2025, BCI reviewed over 300 notifications and informed the USHIPPC of MRL changes in Korea, Great Britain, Australia, Codex, Indonesia, Taiwan, Brazil, the Gulf Cooperation Council, Japan, and the European Union.

Trade Policy and Tariffs

A Customized Report for the U.S. Hop Industry

JULY 2025

Trade Under Trump *(The New Trump Trade Agenda)*
Since taking office on January 20, 2025, President Trump has enacted a series of Executive Orders that have reshaped U.S. trade policy and the United States' relationship with trading partners. As anticipated, tariffs have been central to the Trump trade agenda and a tool that President Trump continues to exercise to exert U.S. leverage with trading partners over trade and non-trade related issues.

The following section summarizes some of the major trade policy developments over the past six months and the implications for U.S. hops. It is accurate as of mid-July 2025.

New Universal Baseline 10% Tariff & 'Reciprocal' Tariffs
On April 2, President Trump announced a new 10% universal U.S. baseline tariff to be applied on most imports from most third countries, with the notable exception of Canada, Mexico, and China (covered in separate sections below). This 10% universal baseline is effective as of April 5 and is additive to existing U.S. Most Favored Nation tariffs. For imports of hops from most third countries, including the European Union, the new universal baseline tariff increases the U.S. tariff from a specific tariff of 0.132 USD/kg to a compound tariff of 10% + 0.132 USD/kg.

In addition to the new 10% baseline tariff, President Trump also announced higher rate, 'reciprocal tariffs' on over fifty U.S. trading partners. These higher rate tariffs aim to address alleged unfair foreign trade practices, including tariffs and non-tariff barriers, that the administration views as contributing to trade imbalances.

These higher rate reciprocal tariffs were announced on April 2, enacted briefly on April 9, and subsequently paused through July 9, to allow negotiations with affected trading partners. In early July, President Trump revised this deadline further to August 1 and adjusted the proposed reciprocal tariff rate in a series of letters sent to leaders in the affected markets.

Notably, and despite ongoing negotiations, this included an increase to the previously announced U.S. reciprocal tariff rate for the European Union, which President Trump threatened with a 30% tariff, and new tariff threats to Canada, Mexico, and Brazil, which are targeted with reciprocal tariffs of 35%, 30%, and 50%, respectively.Others such as Japan, South Korea, the Philippines, Thailand, Taiwan, and Vietnam, remain on the reciprocal tariff list and subject to the August 1 deadline but with unchanged proposed tariff rates.

A select list of key markets targeted with the original and revised U.S. reciprocal tariff rate proposals are shown in the table below.

Trading Partner	Original Proposed Reciprocal Tariff Rate from July 9 *(inclusive of New 10% Baseline Tariff)*	Revised Proposed Reciprocal Tariff Rate from August 1 *(inclusive of New 10% Baseline Tariff)*
Canada	N/A	35%
Mexico	N/A	30%
China	34%	34%*
European Union	20%	30%
India	26%	26%*
Indonesia	32%	32%
Japan	24%	25%
Philippines	17%	20%
South Korea	25%	25%
Taiwan	32%	32%*
Thailand	36%	36%
Vietnam	46%	46%*
Brazil	N/A	50%

* No letter issued/revision to tariff announced

As noted, these higher rate U.S. reciprocal tariffs remain paused through August 1 while negotiations continue with many of the targeted markets. It remains unclear if the U.S. will finalize agreements with the targeted markets by the August 1 deadline, and/or if trading partners subject to any tariff increase will respond with retaliatory tariffs on U.S. products. The situation continues to be closely monitored.

While negotiations continue with many of the affected markets, to date, the Trump Administration has announced deals with four countries: China, the United Kingdom, Vietnam, and Indonesia.

The agreements with China and the UK are limited in scope and do not include major market access gains for U.S. agriculture. For China, the Trump Administration's deal halted an escalating trade war with Beijing and removed some of the tariffs recently imposed by both sides (see China section below). The UK agreement secured some improved access to the UK for U.S. beef and ethanol exports but did not include broader concessions or UK tariff reductions for other U.S. agricultural products. At the time of writing, details on the agreements with Vietnam and Indonesia have yet to be released.

In addition to the four markets noted above, the Trump Administration is also understood to be at an advanced phase of trade negotiations with India. The timing and finalized outlines of any deal remain unclear at this stage.

The U.S. hop industry has weighed in with the Trump Administration to seek the elimination of hop tariffs and other improvements to hop market access as part of ongoing U.S. trade negotiations with trading partners. The industry continues to engage with the administration on these market access priorities.

Canada and Mexico

The Trump Administration has largely engaged with Canada and Mexico on a separate track compared to other U.S. trading partners, sparing them from the sweeping 10% baseline tariff and the initial round of proposed reciprocal tariffs.

On March 4, President Trump enacted 25% tariffs on imports from both countries over alleged failures of Canada and Mexico to tackle border issues, including illegal immigration and fentanyl inflows. These tariffs were later suspended on March 6 after negotiations between the Trump Administration and leaders in both countries.

This suspension remains in place but only for products that are compliant with the U.S.-Canada-Mexico free trade agreement. This requires importers to file paperwork to verify the rules of origin with U.S. customs. Imports into the United States that are not USMCA-compliant are subject to the 25% US tariff.

Importantly, U.S. hop exports to Canada and Mexico are not subject to the same requirements and remain tariff-free.

As noted, in July, President Trump issued surprise letters to leaders in Canada and Mexico threatening to increase tariffs from August 1 if the administration's border concerns are not appropriately addressed. Mexico was threatened with a 30% tariff and Canada with a 35% tariff. It is not clear if the exemption for USMCA-compliant products will remain under this latest tariff proposal.

Like other U.S. trading partners, Canada and Mexico continue to negotiate with the Trump Administration to avoid the imposition of these high tariffs. The outcome of these negotiations remains unclear.

For their part, Canada and Mexico have adopted different strategies to respond to the Trump Administration's trade policy.

Canada

Canada has responded robustly to the Trump Administration's tariff policy. Following the U.S. imposition of the 25% border tariffs, Canada enacted a 25% tariff on $30 billion of U.S. products, effective March 5. This retaliatory tariff remains in place but does not impact U.S. hops.

Canada has also launched a consultation on a broader list of U.S. products it is considering for further 25% retaliatory tariffs but has yet to publish details of this finalized list. This may change if the Trump Administration proceeds with additional tariffs on Canadian imports. The situation is being closely tracked.

Tariffs aside, sales of U.S. products to Canada have been negatively impacted by an anti-American sentiment among Canadian consumers and boycotts of U.S. products in Canadian retail. This has hurt a broad range of U.S. exports to Canada, including beer, wine, and spirits, among others.

Mexico

In contrast to Canada, the Mexican government has adopted a more cautious approach to the Trump Administration's trade policy. Following President Trump's temporary imposition of 25% tariffs over border issues, Mexico indicated it would impose retaliatory tariffs on U.S. products, but these plans were shelved following negotiations between the U.S. and Mexican governments.

To date, the Mexican government has not formally announced any plans to retaliate against the U.S. and continues to engage with the Trump Administration to address its concerns around the border. Like Canada, this situation could quickly change if the U.S. imposed high tariffs on Mexican imports.

China

China continues to be a focus of the Trump Administration, and concerns over China's trade and economic practices have shaped the administration's trade policy agenda, with a series of new U.S. tariffs on Chinese imports over the past six months.

This action has included new U.S. tariffs totaling 20% on Chinese imports due to concerns over fentanyl inflows, and further rounds of tariffs that totaled 125% following a rapid escalation in U.S. trade tensions with Beijing. On top of existing U.S. Section 232 and Section 301 tariffs imposed during President Trump's first term, this took the U.S. baseline tariff rate on Chinese imports to over 145%.

In turn, China responded with retaliatory tariffs on U.S. products to match the headline U.S. rates. This included retaliatory tariffs on U.S. agricultural products, including hops, which were additive to previous Chinese retaliatory tariffs imposed during President Trump's first-term in office.

On May 12, following a weekend of negotiations, the U.S. and China agreed to a 90-day pause and de-escalation in tariffs, effective May 14. As a result of this action, the U.S. and China cut tariffs by 115% during this period. This reduction brought China's tariff on U.S. hops down to 35% for hop cones (down from 150%), 40% for hop pellets (down from 155%), and 32.5% for hop extract (down from 147.5%). The tariff situation is summarized in the chart below.

HS Code	Product Description	MFN Rate	Section 232 Retaliation	Section 301 Retaliation	"Fentanyl" Retaliation	Additional China Retaliation	Total Applied Tariff Before Pause	Total Applied Tariff After Pause	Total Applied Tariff with 301 Exclusion
1210.10	Hops, neither ground nor powdered nor in the form of pellets	20%	N/A	**5.0%**	N/A	125%	**150.0%**	**35.0%**	30.0%
1210.20	Ground, powdered or in the form of pellets; lupulin	10%	N/A	**20.0%**	N/A	125%	**155.0%**	**40.0%**	20.0%
1302.13	Hop Extract	10%	N/A	**12.5%**	N/A	125%	**147.5%**	**32.5%**	20.0%

The 90-day pause is through August 12. During the time, the U.S. and China committed to engaging in negotiations to address some of the long-standing trade irritants. The prognosis for these negotiations and the longer-term status of U.S.-China relations remains unclear.

In addition to the broader tariff volatility, on July 23, the U.S. Embassy in China reported that the Chinese government is planning to end its Section 301 tariff waiver process for U.S. products from August 1, with any existing 301 tariff waivers valid only through September 14, 2025.

This tariff waiver process has been a useful source of relief for suppliers to the market and allowed Chinese importers to apply for the removal of China's retaliatory Section 301 tariffs that were imposed on U.S. products during President Trump's first term in office. This includes U.S. hops. For U.S. hops, a successful Section 301 tariff waiver has reduced the total Chinese import tariff from 35% to 30% for fresh hops, from 40% to 20% for hop cones and pellets, and from 32.5% to 20% for hop extract. Any tariff waivers secured have been valid for one year for a limited volume of product. The end of this waiver process is therefore an unwelcome development.

Notably, embassy reporting is based on local industry feedback. The Chinese government has yet to confirm the end of the waiver program. However, given ongoing U.S.-China trade negotiations, it is possible that any decision from the Chinese government to end the 301-tariff waiver process may be a negotiating tactic to secure additional leverage.

BCI continues to engage with the embassy to seek official confirmation on the status of the 301-tariff waiver program and will keep the industry informed.

European Union

As noted, the European Union was among the list of trading partners to receive a letter from President Trump in July threatening a revised U.S. reciprocal tariff from August 1, if trade talks fail to reach a successful conclusion. The EU had previously been targeted with a 20% U.S. reciprocal tariff from July 9, but this was revised upward to 30% in the July letter.

The tariff letter caught EU leaders by surprise as negotiations continue to take place between the Trump Administration and the European Commission on a deal to avoid the imposition of high tariffs from both sides. To support these negotiations, the EU had delayed an initial tranche of retaliatory tariffs targeting $24 billion of U.S. products until after Trump's initial July 9 deadline. Following President Trump's revised tariff threat, the EU further delayed this tranche to August 6 to accommodate the new August 1 negotiating deadline. Importantly, this tranche of EU retaliatory tariffs does not target U.S. hops.

Concurrently, the EU has also finalized a second, larger tranche of retaliatory tariffs targeting approximately $84 billion of U.S. products, but details on the timing and scope of U.S. products targeted have yet to be made public. BCI is working to obtain a copy of the product list.

Should negotiations break down and the U.S. impose the 30% tariff on EU imports, it is highly likely that the EU will respond in kind with retaliatory tariffs on U.S. products. The status of negotiations is being closely monitored.

In the interim, the U.S. continues to apply the new 10% baseline tariff on imports from most trading partners, including the EU. The EU had hoped to secure the removal of this 10% baseline in a future trade deal, but the Trump Administration has rebuffed these efforts and stressed to EU officials that the baseline tariff is not up for negotiation. This 10% tariff would increase to 30% should the US proceed with the proposed reciprocal tariff on EU imports.

While much remains in flux, the current U.S. and EU tariff situation for trade in hops is outlined in the charts below.

U.S. Tariff Situation for EU Hops

HS Code	Description	Pre-April 9 U.S. MFN Rate	Current U.S. Tariff Rate	Proposed U.S. Tariff Rate w/ Reciprocal Tariff *(not yet enacted)*
1210.10	Hops, neither ground nor powdered nor in the form of pellets	0.132 USD/kg	**10%** + 0.132 USD/kg	**30%** + 0.132 USD/kg
1210.20	Ground, powdered or in the form of pellets; lupulin	0.132 USD/kg	**10%** + 0.132 USD/kg	**30%** + 0.132 USD/kg
1302.13	Hop Extract	0.89 USD/kg	**10%** + 0.89 USD/kg	**30%** + 0.89 USD/kg

EU Tariff Situation for U.S. Hops

HS Code	Description	EU MFN Tariff Rate (applicable to US)
1210.10	Hops, neither ground nor powdered nor in the form of pellets	5.8%
1210.20	Ground, powdered or in the form of pellets; lupulin	5.8%
1302.13	Hop Extract	3.2%