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Teamsters urge Trump administration to tax Mexican beer imports

The union asked for tariffs of up to 75% on brands like Modelo and Corona, arguing U.S. brewing jobs could return home.

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The Teamsters union is pressing the Trump administration to impose tariffs on beer imported from Mexico, a move that could affect some of the biggest brands sold in the United States, including Modelo, Corona, Pacifico and Tecate.

The request comes as the Office of the United States Trade Representative reviews whether policies in other countries have created what the administration describes as unfair manufacturing advantages under an ongoing Section 301 investigation. According to The Drinks Business and U.S. media reports it cited, the Teamsters want “significant tariffs” on Mexican beer and have publicly supported duties of up to 75%.

At the center of the dispute is where beer for the U.S. market is brewed. Modelo, Corona and Pacifico, which are owned by AB InBev, and Tecate, owned by Heineken, are brewed in Mexico and then shipped to American retailers. Sean O’Brien, the Teamsters’ general president, told Fox News that those beers could be made in the United States instead. “We can brew Modelo beer. It’s the same recipe. Let’s brew it in the United States,” he said.

The union argues that Mexico has strengthened its brewing industry through government-backed investment incentives, lower labor costs and export-focused industrial policies. In its filing, the Teamsters said Mexican beer production has risen 85% since 2014 and that about 80% of the country’s beer exports go to the United States. Over roughly the same period, the union said capacity use at major U.S. breweries fell from 82% in 2013 to 65% in 2023.

For the Teamsters, that decline is tied directly to jobs. The union says more domestic brewing would support workers not only in breweries but also in farming, packaging and distribution. O’Brien framed the issue as one of industrial policy and employment, saying he supports tariffs if they create opportunities for union members in brewing and distribution.

The filing also points to future expansion in Mexico. According to the union, breweries there are expected to add between 19 million and 23 million hectoliters of production capacity over the next five years. The Teamsters say that planned growth reflects tax incentives for export-oriented manufacturers introduced in 2023 as well as Mexico’s broader industrial strategy known as Plan México.

No tariff decision has been announced, and it remains unclear how far the administration may go. The USTR is still reviewing submissions tied to the Section 301 case, and any trade action would depend on that process. The Drinks Business reported

that it contacted the USTR, AB InBev and Heineken for comment on how broad any possible measures could be.

If tariffs are adopted, the effects could reach well beyond trade policy. Mexican imports hold a large place in the American beer market, and any added cost could reshape pricing, supply chains and investment decisions across North America. Brewers could face pressure to reconsider where they make beer destined for U.S. shelves, while distributors and retailers could see changes in margins and product mix.

That matters across the beverage business because imported beer is one of the most important segments in U.S. alcohol sales. A tariff fight involving leading Mexican brands could alter production planning between Mexico and the United States, influence future brewery investment and affect consumer prices for some of the country’s best-known beers. It could also become a test case for how trade policy is used to steer manufacturing in beverage categories that rely on cross-border supply networks.

For now, the proposal remains a union-backed push rather than a confirmed policy change. But with Modelo and Corona among the most visible imported beers in America, even the possibility of new tariffs is drawing attention from brewers, wholesalers and workers on both sides of the border.