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U.S. Distillers Ask Trade Officials to Pursue Permanent Zero-for-Zero Tariffs

The industry group said foreign barriers helped push exports down nearly 4% in 2025, including a 70% drop in Canada

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On Friday, October 30, the Distilled Spirits Council of the United States asked the Office of the United States Trade Representative to push for permanent zero-for-zero tariffs with major trading partners, faster implementation of trade agreements and the

removal of foreign barriers that the group said are holding back U.S. spirits exports.

The request was made in DISCUS's submission for the 2027 National Trade Estimate Report, a yearly review that the USTR uses to identify foreign trade barriers. The industry group said American distillers need broader market access abroad rather than higher import tariffs at home if they are to return to stronger export growth.

According to DISCUS, total U.S. spirits exports fell nearly 4% in 2025 to $2.37 billion after reaching a record level in 2024. Even with that decline, the group said exports have increased fivefold over the past 25 years, rising from $478 million in 2000. Robert Maron, DISCUS's senior vice president for international trade policy and market access, said in a statement that the industry performs best when it has what he described as fair and reciprocal access to global markets.

The filing focuses on both tariffs and non-tariff obstacles. DISCUS said the U.S. spirits sector currently trades under zero-for-zero tariff arrangements with 51 countries. In 2025, the group said, 81% of U.S. spirits exports went to countries that charge no tariffs on those products, while about 98% of U.S. spirits imports came from the same group of countries. The council argues that this pattern shows the industry is most competitive when trade barriers are low on both sides.

Some of the sharpest pressure, the filing said, has come from Canada and the European Union, two of the largest overseas markets for U.S. distillers. According to DISCUS, exports of U.S. spirits to Canada fell 70% year over year from the start of provincial sales bans in March 2025 through December 2025. Canada, which had been the second-largest foreign market for U.S. spirits in 2024, dropped to sixth place in 2025. DISCUS urged officials in both countries to resolve the dispute and restore U.S. products to retail shelves across Canada.

The European Union remained the largest destination for U.S. spirits in 2025, receiving $1.2 billion in exports, or 51% of the total, according to the filing. DISCUS pointed to a major development in August, when the EU indefinitely suspended a 30% retaliatory tariff on U.S. distilled spirits that had been scheduled to take effect on August 6. The group said the U.S. administration should work to ensure that retaliatory duties on American spirits are not brought back.

The trade debate matters directly to the beverage business because market access rules can shape shelf space, distribution costs and pricing across imported and exported alcohol. For spirits makers in particular, disruptions in Canada and tariff uncertainty in Europe can affect sales volumes in some of their most important foreign markets, while changes in trade terms can also influence competition with other beverage alcohol categories in retail and hospitality channels.

DISCUS also used India to argue that tariff cuts can quickly affect sales. The group said India reduced its tariff on bottled Bourbon from 150% to 100%, and exports of bottled Bourbon to India rose nearly 85% in 2025 compared with 2024. Year to date in 2026, DISCUS said, bottled Bourbon exports to India were up nearly 160% from the same period in 2025. The council is asking U.S. trade officials to seek tariff reductions for all categories of bottled and bulk American spirits that are at least comparable to the treatment India has offered to spirits from the United Kingdom and the European Union.

Under the terms described in the filing, spirits from the U.K. entering India currently face a 75% tariff, and EU spirits are set to receive that same preferential rate in early 2027. Over the following decade, tariffs on EU and U.K. spirits in India are due to decline to 40%. DISCUS said U.S. producers risk falling behind if they do not receive similar access.

Beyond those major disputes, the filing lists other barriers in multiple markets, including what the group described as discriminatory taxes, labeling rules, product standards and other technical requirements. DISCUS also praised the administration for securing tariff reductions for American spirits through agreements involving Argentina, Cambodia, Malaysia, Indonesia, Taiwan and Ecuador. Exports to those six markets totaled $27.5 million in 2025, or about 1% of all U.S. spirits exports, according to the group. DISCUS said those deals should be implemented quickly and that additional agreements should be pursued with India, Brazil, Vietnam and Thailand.

The council said the stakes extend well beyond export revenue. It said the U.S. distilled spirits industry generates more than $250 billion in annual economic activity and supports about 1.7 million jobs across production, distribution, hospitality and retail. DISCUS also said the industry bought more than 2.73 billion pounds of grain from American farmers in 2024, up 134% over the past decade.