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New Zealand exporters begin receiving millions in refunds from unlawful U.S. tariffs

Refunds are reaching producers unevenly because American importers often paid the duties, leaving Delegat waiting and Babich with 70% recovered

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New Zealand exporters are beginning to receive millions of dollars in refunds tied to U.S. tariffs that were later found to be unlawful, but the money is not moving back to producers in a uniform way because much of it first passes through American importers and distributors.

On Monday, November 2, Farmers Weekly reported that the return of the tariff money has opened a second dispute for some companies: how the refunds should be divided between New Zealand exporters and the U.S. businesses that brought their products into the country and paid the duties at the border.

The issue is especially visible in wine. Farmers Weekly said Delegat is still waiting on its distributors as it works through how much of the refunded money it will ultimately receive. Babich, another New Zealand wine company, has already recovered 70% of the refunds it says it is entitled to, according to the report.

The article indicated that the tariffs had been declared illegal, creating the basis for repayments. It did not appear to set out the full legal history in detail, but the immediate commercial problem is clear: the company that shipped the product is not always the same company that formally paid the tariff to U.S. Customs. In many beverage supply chains, the importer of record or distributor is the party that handled the customs entry and initially bore the charge. That means the refund may first be paid to that U.S. counterparty, leaving the exporter to rely on contract terms, past pricing arrangements, or direct negotiation to recover its share.

That dynamic can make a large difference for exporters’ cash positions. For wine producers and other beverage companies, tariff refunds can improve short-term liquidity, but only if the funds are transferred promptly and in line with commercial agreements. Where the burden of the original tariffs was shared across the supply chain through pricing, discounting, or margin compression, the repayment can be harder to allocate and may become a matter of negotiation rather than simple reimbursement.

Farmers Weekly’s reporting suggests that the sums involved are large enough to matter. Even without full company-by-company figures in the report, a multi-million-dollar refund pool can have a meaningful effect on working capital, especially for

exporters managing inventories, shipping costs, and sales cycles in the U.S. market. For beverage producers, where brand building and distribution support often require steady spending, delayed repayment can limit the immediate benefit of a favorable legal outcome.

The contrast between Delegat and Babich shows how much the outcome may depend on the structure of each company’s U.S. sales arrangements. A producer that sells through one type of distribution agreement may see refunds reach it faster than a producer that used a different contractual setup. The question is not only who paid the tariff, but also who absorbed the cost when the duty was in force. If an exporter lowered its prices to help a distributor offset the tariff, it may argue that a comparable share of the refund should now return to the exporter. If the U.S. side kept prices steady and carried the charge itself, it may make a different claim.

That makes the issue important beyond a single reimbursement event. Beverage companies often focus heavily on market access, shelf space, and consumer demand, but this case highlights the financial importance of customs paperwork and contract drafting. Terms covering tariffs, tax changes, and extraordinary trade costs can determine who receives a refund years later and how quickly that money can be booked. In sectors such as wine, beer, and spirits, where cross-border distribution is common and margins can be sensitive to trade costs, the handling of refunds can become almost as important as the original tariff dispute.

The repayments also show how trade actions can continue to affect companies long after the duties themselves have ceased to be the main issue. Once a tariff is overturned, businesses still need to reconcile who paid, who was compensated through pricing, and who should benefit when the money comes back. For exporters that do not import directly into the United States, the legal victory does not automatically produce cash in hand.

For New Zealand beverage exporters, that means the refund process may create uneven results across the industry. Some companies may secure most of their money quickly. Others may face a slower process shaped by distributor relationships, documentation, and the wording of earlier agreements. Babich’s reported recovery of

70% suggests that at least part of the money is already flowing, but Delegat’s position indicates that a full settlement can still depend on talks with U.S. partners rather than on the tariff ruling alone.

As the repayments move through the system, exporters with a stronger contractual claim or a more direct importing structure may be better placed to turn those refunds into usable cash, while companies that relied more heavily on outside distributors may have to spend more time negotiating how the returned duties should be split.