

NEWS RELEASE

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Trump Administration Tariffs on Key Nutritional Supplement Ingredients Will Impose Significant Financial Burden on Small Businesses and Consumers Largest Association for Natural Products Asks for Exemption for Hundreds of Ingredients

WASHINGTON, D.C.— The Trump Administration’s proposal to impose tariffs on key ingredients for nutritional supplements and vitamins will cause disproportionate economic harm to U.S. interests and increase costs for small businesses and consumers, the Natural Products Association (NPA) said [in a letter to United States Trade Representative Robert E. Lighthizer](#). President and CEO of NPA Daniel Fabricant, Ph.D., will testify at an [upcoming hearing at the USTR](#) on August 20-23 where he will present the Association’s views and the potential impact of the proposed tariffs on its members, small businesses, and consumers.

“We strongly urge the Administration to rethink its trade policy that will cause a financial burden on small businesses and the three quarters of American consumers who use nutritional supplements,” said Daniel Fabricant, Ph.D., President and CEO of NPA. “Our members, made up largely of small businesses, are deeply concerned that tariffs on dietary ingredients and finished supplement products will make it impossible to remain profitable without raising prices on consumers. We look forward to sharing our views in more detail with the Administration in the coming days.”

NPA asked the Administration to exempt 57 [HTS codes](#) (the system used to classify a good based on its name, use or material) representing hundreds of dietary ingredients, from tariffs it said would impose unintended consequences in the dietary supplement and natural products industries.

Preview of NPA Testimony Before the United States Trade Representative

Imposing additional tariffs on dietary ingredients used in dietary supplement products would be neither practicable nor effective to obtain the elimination of China’s acts, policies, and practices for the following reasons:

- 1) Many dietary ingredients used in the domestic manufacture of dietary supplements are dependent upon sourcing in China because it is the only country which can handle ingredient sourcing supply on the scale demanded by finished product manufacturers of dietary supplements in the U.S.
- 2) Imposing these tariffs on dietary ingredients would result in significant economic harm and financial impact to U.S. companies. If small- and medium-sized companies were forced to obtain dietary ingredients from alternative sources domestically or abroad, most small- and some medium-sized companies would be out of business. Some medium- and large-sized companies would set up finished product manufacturing operations in China. While the road to hell was, as they say, paved with good intentions, this would not have the intended effect as originally planned. That is, to thwart China’s acts, policies and practices and level the global trade playing field.



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- 3) Imposing these tariffs on dietary ingredients would result in a significant financial burden for consumers who may bear the increased costs of products as well as reduced product choice as small-and medium-sized companies shutter their doors.

- 4) These proposed tariffs will predominantly affect small business, as defined by the Small Business Administration (SBA). The dietary supplement industry receives significant ingredient innovation from new, small business start-up companies. It is that ingredient innovation which drives future product sales for this industry. Any disruption of the raw material supply chain through tariffs on ingredients sourced from China will curtail innovation, decrease future sales, and flatten the expected CAGR for the dietary supplement and natural product industries. The 10% CAGR in the future global market over the next 10 years means that any proposed tariffs on dietary ingredients will lead to strong sales for the rest of Europe, South America, and Asia, and a lack of growth for the U.S. for the first time. It is an action which the U.S. dietary supplement industry may not be able to recover from.

Natural Products Association

The **Natural Products Association (NPA)** is *the* trade association representing the entire natural products industry. We advocate for our members who supply, manufacture and sell natural ingredients or products for consumers. The Natural Products Association promotes good manufacturing practices as part of the growth and success of the industry. Founded in 1936, NPA represents approximately 1,100 members accounting for more than 10,000 locations of retailers, manufacturers, wholesalers and distributors of natural products, including foods, dietary supplements and health/beauty aids. Visit www.npanational.org.