

May 7, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230



[Docket No. 250414-0065] XRIN 0694-XC120

Dear Secretary Lutnick,

International Flavors & Fragrances (IFF) is a multinational group headquartered in New York with facilities and employees across nearly half of the U.S. states. IFF is a global leader in flavors, fragrances, food ingredients, health and biosciences. IFF's products are designed to provide nutritional benefits, create appealing scent, flavors, and textures, and are safe and cost effective for the global food and beverage industry. While some ingredients are used in pharmaceutical formulations, they are also essential components of foods, beverages, dietary supplements, and household and personal care products, which play a critical role in Americans' health and well-being. Hence, these ingredients need to be excluded from the scope of the Section 232 investigation.

Tariff increases resulting from Section 232 will raise the cost of critical material imports, significantly impacting IFF's operations, cost structure, and American consumers' access to healthier and affordable food, nutraceuticals, cleaning products and other essential items.

Therefore, we would like to take the opportunity to request continued and expanded exemption of the following specific materials of interest to IFF from Section 232 tariffs.

1. HTS 2912.49.26
2. HTS 2915.39.90
3. HTS 2915.90.50
4. HTS 2916.19.50
5. HTS 2917.19.70
6. HTS 2918.13.50
7. HTS 2918.30.90
8. HTS 2932.99.90
9. HTS 3507.90.70
10. HTS 3507.10.00
11. HTS 3912.31.00
12. HTS 3912.90.00

To support this request, we submit our comments directed at criteria listed in § 705.4 of the regulations.

(i) Current and Projected Demand for Ingredients:

1. HTS 2912.49.26
2. HTS 2915.39.90
3. HTS 2915.90.50
4. HTS 2916.19.50

5. HTS 2917.19.70
6. HTS 2918.13.50
7. HTS 2918.30.90
8. HTS 2932.99.90



IFF uses these materials to enhance flavors and preserve food and beverages, while also contributing unique aromatic notes and fixative properties to fragrances, including cleaning products. Together, these industries represent a \$6.29 billion market in the U.S., projected to grow to \$8.62 billion by 2032.

9. HTS 3507.90.70
10. HTS 3507.1000

IFF uses enzymes in a wide range of sectors, from grain processing to baking and dairy processing, as well as bioenergy, brewing, household cleaners, fermentation, animal feed and fruit processing. The U.S. enzymes market, valued at \$4.05 billion, relies on these enzymes to optimize production efficiency, reduce costs, and to ensure food staples remain accessible without compromising quality. The market is expected to grow to approximately \$5.98 billion by 2030.

11. HTS 3912.31.00
12. HTS 3912.90.00

IFF uses cellulose-based texturizers to enhance the production of food, beverages, and dietary supplements, playing a significant role in the expanding U.S. healthy beverages and nutraceuticals market. Cellulosics are critical ingredients in these industries, with approximately 80% used in beverages, and 20% in nutraceuticals. They serve essential functions, such as stabilizing and binding complex, and are commonly found in syrups, supplement capsules, and health drinks. Demand for these ingredients continues to rise as consumers increasingly seek health promoting products such as sugar-and fat-reduced beverages that promote bone health in elderly adults. The U.S. market for cellulose-based ingredients in food alone is currently estimated at \$55-60 million, indicating robust domestic demand.

(ii) Domestic Production Capacity

The US does not produce enough of these ingredients to meet domestic demand. For example, enzymes used in U.S. food production are produced almost entirely by companies such as IFF in Europe. The reason for this is because enzymes used in the agri-food industry, although critically important, are utilized in relatively small quantities for individual end-uses. Thus, manufacture of enzymes for specific uses is only economically viable if those manufacturing plants are centralized to meet global market requirements. Similarly, for raw materials like carboxymethyl cellulose (CMC), domestic production can meet approximately 30% of the U.S. demand. For other Cellulosics, the U.S. sole producer ceased operations in 2024. Therefore, IFF must import these essential inputs to meet U.S. production and consumer needs.

[iff.com](https://www.iff.com)

(iii) Role of Foreign Supply Chains

Safety and quality are top of mind for IFF. Hence, IFF works with foreign supply chains that have proven their ability to deliver the consistent volume, quality, and purity required for food and health products. The U.S. market depends on foreign manufacturers for stability agents and functional binders critical to both pharmaceuticals and health-focused food and beverage.

(iv) Import Concentration Risks

Developing domestic sources will require considerable time and investment. Any disruption in imports threatens our ability to maintain production and meet U.S. demand. Imposing tariffs on these materials would further increase that vulnerability by limiting access without an alternative domestic source, resulting in heightened consumer prices and limited access to health promoting products.



(v) Foreign Government Subsidies and Trade Practices

We are not aware of foreign government specific programs affecting these specific materials. However, imposing additional sectorial tariffs risks harming U.S. manufacturers like IFF, which rely on imported materials not available domestically. Without viable U.S. alternatives, such measures do more damage to industry than they offer protection.

(vi) Economic Impact of Suppressed Prices and Overproduction

U.S. companies do not benefit in the long term if supply chains are cut off and costs rise due to tariffs. IFF costs would increase, and those increases would cascade through supply chains to U.S. consumers, especially food staples.

(vii) Potential Export Restrictions

The strategic use of sanctions and export controls globally underscores the importance of targeted and cooperative trade strategies that support resilience without penalizing industries reliant on foreign supply. To illustrate, cellulose has been included in certain foreign sectorial sanctions, such as the EU sanctions against Russia (EU Regulation No 833/2014). While cellulose or other materials do not pose a critical risk to U.S. national security, the insufficient domestic production makes imports crucial for ensuring supply for the U.S. market.

(viii) Feasibility of Increasing Domestic Capacity

Scaling domestic capacity for food grade cellulose and enzymes for the food and beverage industry would require a decade or more, with significant capital investment. Tariffs targeting these materials would make such projects even less feasible by distorting market incentives.

(ix) Impact of Current Trade Policies and Need for Additional Measures

In our case, tariffs do not incentivize domestic growth - they increase input costs for foods and reduce access to ingredients necessary for innovation in health, nutrition, and consumer wellness. We do not see a justified need to impose additional measures.

(x) Additional Factors

A broad definition of "pharmaceutical" merely by way of HTS codes and the imposition of tariffs based merely on those HTS codes would harm broad consumer sectors of food staples, nutraceuticals, health products and even household products as collateral damage. This will be detrimental to food security, health-focused innovation, and the availability of essential goods, and will harm U.S. companies like IFF due to the interdependencies and the availability of critical inputs.

The above HTUS codes covering ingredients also used in food, dietary supplements, and flavors and fragrances, should be excluded from any tariffs resulting from the Section 232 investigation to minimize negative impacts of cost increases and supply disruptions across multiple sectors. We respectfully request that the department:

1. Exclude the above HTUS codes from the Section 232 investigation.
2. To expand exemptions from Annex II to include all the above HTUS codes.

Thank you for the opportunity to provide comments to the Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients. We appreciate your attention to this critical matter and can be available to provide additional information as needed.



Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Sewalt', written over a light blue grid background.

Vincent Sewalt

VP Public Affairs

IFF