

Market Update August 2025

- **Tariff Rates**
 - New tariff rates went into effect on August 8th
- **FDA changes the de minimis exemption on imports**
 - The duty-free threshold has been eliminated
- **Spotting opportunity in the F&F market**
 - Strong demand for natural ingredients and sensory-driven experiences fuels expansion



New tariff rates impact the F&F Industry

The U.S. has reinstated country-specific reciprocal tariffs, which are expected to impact sourcing costs and lead times. These measures align with ongoing White House efforts to support domestic manufacturing and rebalance trade.

COUNTRY	TOTAL TARIFF	DETAILS
India	50%	25% Reciprocal 25% Additional
China	30%	10% Reciprocal extended until at least 11/10/25 20% additional 25% Tariff on some specific items
Brazil	50%	10% Reciprocal 40% additional
Indonesia	19%	19% Reciprocal
EU	15%	15% Reciprocal
Japan	15%	15% Reciprocal
Malasia	19%	19% Reciprocal
Vietnam	20%	20% Reciprocal



FDA ends \$800 de minimis exemption



Recently, the U.S. Food and Drug Administration, in coordination with Customs & Border Protection, eliminated the longstanding de minimis exemption for low-value imports under \$800.

- Now, all FDA-regulated goods, regardless of value or shipment size, are subject to review by the FDA.
- The FDA declares this policy shift essential to prevent the entry of any non-compliant, unsafe, or counterfeit goods.

IMPORTERS HAVE NEW RESPONSIBILITIES:

- **Include full FDA data at the time of entry with all shipments**

- **Continue to meet Prior Notice requirements for food**

- **Coordinate with suppliers and logistics partners to avoid delays due to non-compliance**

Spotting opportunity in F&F

The global Flavors and Fragrances market is projected to reach \$52 billion by 2033, growing at a CGAR of 5.5% from 2025 to 2033

- A rising demand for natural, sustainable, and diverse ingredient solutions drives this growth.
- Sensory-driven innovation is also reshaping the market. Brands are investing in R&D to create experiences that connect with customers in unique, memorable ways.
- Shoppers are seeking high-end products that delight the senses. They value products that feel personalized, immersive, and aligned with their values, and they're willing to pay more for them.

