

US tariffs: Implications for the food and drink sector in UK and Ireland and practical steps for businesses

09 April 2025  Sam Sharp

Food and drink exports like tea, dairy and alcohol could be affected by US tariffs imposed by President Donald Trump.

The sector is one of the largest exporters for both the UK and Ireland, while the US is one of the biggest customers – accounting for 10% and 11% of exports respectively.

In the first nine months of 2024 alone, the UK shipped 460 million cups of tea and 436 million biscuits across the Atlantic.

Previous tariffs have led to significant declines in sales for Scotch whisky, Irish whiskey and dairy products such as Kerrygold, the Irish brand that has become the second-best seller Stateside, with sales worth €500m in 2024.

Sam Sharp, Partner in the [corporate](#) team who heads up the [food and drink](#) group at UK and Ireland law firm Browne Jacobson, examines the potential impact of US tariffs on the sector and next steps for businesses.

Responding to US tariffs in food and drink sector

The disruptive tariff impact on global trade creates huge uncertainty across the food and drink sector, with SMEs – which represent about 99% of the sector in both the UK and Ireland – disproportionately impacted by factors such as rising costs from increased tariffs and inflation.

Businesses should be ready to respond quickly in navigating [supply chain](#) challenges and mitigating potential damage, while governments should seek to increase domestic food security.

This was already high up the agenda in the UK, where a proposed Land Use Framework aims to provide the principles, data and tools to support local government and industry decision making in maximising land use.

The UK Government should also be championing 'Brand Britain' and looking to reduce friction with other trading partners – most notably the EU, which is already an aim of the government but one that should be expedited due to the ongoing uncertainty, even if the US tariffs are removed or reduced. Ireland would similarly benefit from a closer relationship with the UK, its single biggest market for food and drink products.

Scotch and Irish whisky could be particularly impacted given their historically strong performance in the US, so it's important both the UK and Irish governments review any specific support needed by producers.

While Ireland's future trading relationship with the US will be determined by the EU, any attempt by the UK to broker a transatlantic trade deal should not result in food quality standards being reduced.

Previous negotiations have involved concerns over the UK being flooded with American chlorinated chicken and hormone-treated beef, which could threaten to undermine UK food quality and self-sustainability.

Legal repercussions and takeaways for businesses

The immediate issues for businesses revolve around supply chain challenges and corresponding agreements/arrangements, and we may also see an impact in the M&A market.

Key issues to consider include:

- Reviewing termination provisions in supply agreements - particularly force majeure clauses, if tariffs significantly impact the ability to fulfil contractual obligations.
- Monitoring supply chain issues (like increased costs or otherwise) which could lead to breaches of contracts and therefore lead to a rise in disputes and litigation.
- Understanding dispute resolution options, such as arbitration, mediation and litigation or renegotiation where possible.
- Identifying where new opportunities could arise and exploring new markets, which can be supplied either by contracting directly or through agents or distributors.

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