JOHNDUNHAM &ASSOCIATES
The Winning Side of Economics

MEMORANDUM

TO: Dawson Hobbs
FROM: John Dunham
DATE: July 7, 2020
RE: Economic Impact of Tariffs on Alcohol Imports

In February, JDA estimated the impact of the imposition of 25 percent ad valorem tariffs on various beverage alcohol products imported from the European Union. These went into effect on October 18, 2019, and included tariffs on wine, whiskey and cordials from specific countries.[1]

In that analysis, JDA found that in the 12 months prior to September 2019, the United States imported nearly $4.2 billion worth of wine, $1.9 billion worth of cordials, and $991.1 million worth of impacted whiskeys from producers in the impacted countries.[2] This would be equal to a total product value of $6.9 billion after freight and insurance charges are deducted.[3]

These imports are about 37.1 percent of total wine imports and 6.1 percent of the entire wine market in the United States, and 29.9 percent of total spirits imports and 9.9 percent of the total spirits market.[4]

Table 1
Market and Import Data (12 Months Prior to September 2019)

	Impacted Imports	Total Imports	Impacted Percent	Total US Production	Total Imports and Production	Impacted Percent
Wine	$ 1,538,925,533	$ 4,152,535,079	37.1%	$ 20,900,000,000	$ 25,052,535,079	6.1%
Spirits	$ 2,476,551,129	$ 8,292,333,086	29.9%	$ 16,700,000,000	$ 24,992,333,086	9.9%
Total	$ 4,015,476,662	$ 12,444,868,165	32.3%	$ 37,600,000,000	$ 50,044,868,165	8.0%

At the time JDA estimated that the tariffs would lead to a reduction of about 5.9 million gallons of wine sales, and 13.8 million gallons of reduced spirits sales.[5] Lower volumes will result in lost jobs as wholesalers need fewer truck drivers, clerks and warehouse staff. In total, JDA estimated that the tariffs would result in a loss of nearly 35,850 jobs in the US beverage alcohol industry, and reduce economic activity in the sector by about $5,361.7 million.

Since the original study was developed, additional data have become available on actual imports of wine and spirts from the affected countries. These data come from the US Department of Commerce, Bureau of the Census and are based on cargo manifests. Data are now available through April, 2020 (though it is possible that the latter two months were impacted by the response to the COVID-19 virus).

Examining import data from January 2018, through April 2020, it is possible to verify the model results against 2 quarters of actual import data. A simple regression analysis of the data, controlling for both the holiday season (November to January) and the implementation of the tariff gives the results shown in Table 2 on the following page. Model 1 uses all of the data, while Model 2 controls for the COVID-19 shutdowns.

1 Tariffs were imposed on certain whiskies from Ireland and the UK, cordials from Germany, Ireland, Italy, Spain and the UK, and certain wines from France, Germany, Spain and the UK.

2 Customs value (or CIF) for wine and spirits imported into the United States between 9/2018 and 8/2019. Source: US Department of Commerce, Bureau of the Census, *USATrade Online*, at: https://usatrade.census.gov/

3 Data on international shipping costs are not available. US shipping margins of 2.9 percent for wine and 3.1 percent for spirits which are the average margins for wine are used as a proxy. See: *Margins_After_Redefinitions_2007_2012_DET*, Industry Economic Accounts Directorate, Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

4 Total wine imports were $4.152 billion from USATrade Online. Domestic production of $20.9 billion is from the US Department of Commerce, Bureau of Economic Analysis NIPA Tables. The corresponding figures for spirits are $8.292 billion and $16.7 billion.

5 Prepared for the Wine and Spirits Wholesalers of America by John Dunham & Associates, 2019.

Table 2
Regression Results for Spirits, Wine and Cordials

	Cordials		Whiskey		Wine	
	(1)	(2)	(1)	(2)	(1)	(2)
Intercept	(1,377,596,793.4)	(1,391,062,178.7)	(4,701,626,164.4)	(4,744,231,022.3)	(166,372,616.8)	(196,457,853.2)
p-value	0.0548	0.0630	0.0020	0.0026	0.8756	0.8562
tariff	(28,345,867.5)	(26,747,514.5)	(83,218,925.0)	(80,303,859.2)	(41,616,042.9)	(33,534,667.1)
p-value	0.0082	0.0296	0.0003	0.0018	0.0113	0.0663
holiday	5,004,954.6	4,119,985.3	29,579,867.6	27,902,603.1	(25,753,682.3)	(30,094,946.3)
p-value	0.4536	0.5833	0.0326	0.0677	0.0178	0.0132
time	33,245.2	33,559.0	112,230.6	113,218.8	7,397.4	8,108.5
p-value	0.0449	0.0522	0.0014	0.0019	0.7626	0.7456
F - Statistic	2.789	2.070	6.492	5.261	9.686	7.860
p-value	0.062	0.133	0.002	0.007	0.000	0.001
R-sq	25.9%	22.0%	44.8%	41.8%	54.8%	51.7%

As the results of the models show, the impact of the tariff is consistent whether or not COVID-19 is taken into account. Across all of the models, the coefficient is statistically significant to at least the 5-percent level, except in the case of wine imports controlling for the COVID variable. In all cases, the addition of the tariff is correlated with reduced imports from the countries in question, and all of the overall models are statistically significant, except for the cordial model controlling for COVID.

These statistics suggest that the overall impact of the Tariff is reasonably measured by the import data and these very simple regression analyses. The 25 percent tariff is not the increase that consumers would experience as a result of the tax. This actual retail price increase would be significantly higher as the effects of the tariff on the landed cost of cargo at the port of entry would be marked up further through the transportation and retailing change. Based on standard margins from the Bureau of Economic Analysis, the tariff would lead to an effective 46.0 percent increase in the price of distilled spirits and cordials, and a 41.1 percent increase in the price of wine.[6] This is based on prices developed from the 2018 Economic Impact Model of the Wine and Spirits Industry.[7]

Table 3
Estimated Loses from Tariff for Spirits, Wine and Cordials

	Cordials	Whiskey	Wine
Estimated Montly Reduction	$ (28,345,868)	$ (83,218,925)	$ (41,616,043)
Estimated Annual Reduction	$ (340,150,410)	$ (998,627,100)	$ (499,392,515)
Percent Reduction	-42.24%	-45.66%	-28.84%
Tariff Rate	25.0%	25.0%	25.0%
Effective Price Change	46.0%	46.0%	41.1%
Estimated Price per Wine Gallon	$ 51.18	$ 51.18	$ 27.21
Estimated Reduced Gallons	(6,646,159)	(19,512,057)	(18,353,271)

[6] See: *Margins After Redefinitions: 2007 Detail*, Industry Economic Accounts Directorate, Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

[7] *Economic Impact of the Wine and Spirits Industry: 2018*, prepared for the Wine and Spirits Wholesalers of America by John Dunham & Associates, New York, 2019.

It should be noted that the prices from the WSWA model are based on total US sales, and may not be fully reflective of the prices of the particular wines and spirits imported from the European countries being analyzed. If the actual prices are higher, then the resulting estimate of the change in overall sales volumes would be lower. Since these are monthly data, multiplying the tariff coefficient by 12 should be a good estimate of the annualized sales loss associated with the tariff. These losses are calculated in Table 3 in dollar terms, and then adjusted into gallonage (wine gallons) using the base prices for wine and spirits from the WSWA 2018 economic impact analysis.[8]

Wine is All About Place

The French word terroir is used as a way to describe the characteristic taste and flavor imparted to a wine by the environment in which it is produced.

A tariff on wines from European countries increases prices for American consumers who are looking for a huge range of specific wines. Important bottlings like Chablis, Burgundy and Bordeaux from France, Rioja and Rueda from Spain, and Riesling from Germany cannot be produced in the United States, since they all require a specific terroir.

Based on the import data, the earlier estimate of a reduction in 5.9 million gallons of wine was exceedingly low relative to the actual change in imports from the impacted countries so far. On the other hand, the spirits estimate was basically right on target. This is in part due to reduced overall wine sales in the United States, including domestically produced products. According to the US Department of Treasury, taxable sales of US produced wine were down by 2.5 percent in the first two months of 2020 when compared to the prior year.

Table 4
Estimated Loses from Tariff for Spirits, Wine and Cordials

	Regression	Prior Estimate	Difference	
	Change	Change	Change	Percent
Wine	11,169,769	5,900,000	5,269,769	47%
Spirits	14,207,542	13,800,000	407,542	3%
Total	25,377,312	19,700,000	5,677,312	22%

Changes in imported wine (even if some of it is made up for by American or other substitutes) would result in lost jobs as wholesalers need fewer truck drivers, clerks and warehouse staff. As the table below shows, nearly 1,000 alcohol distributor jobs could be lost because of higher prices resulting from tariffs. Including all firms in the wine alcohol industry, those that supply the industry and those who depend on re-spending by direct and supplier firm employees, this would lead to a total of nearly 36,460 lost jobs and $1,450.5 million in lost wages. On top of this, the cost to the American economy could be nearly $3,094.5 million in economic activity.

Overall, even though the federal government would receive about $364.3 million in tariff revenue, it would lose a net of $344.9 million once other taxes were taken into account. State and local governments would see their revenues drop by a stunning $10.7 billion, something that should be of major concern following the tax losses due to the government-imposed shutdowns over COVID-19.

This impact accounts only for the $364.3 million cost of the import tax. The actual impact will likely be much larger. Economic theory suggests that when tariffs impose a price floor, that all trading partners price their products at least at that level. Since the domestic price of the imported product rises by at least the amount of the tariff, domestic producers competing with these imports can also raise their prices in line with the price of imports. In this case, it is generally expected that manufacturers exporting to the US from other countries will raise the prices of their products to levels set just under the tariff-imposed price

[8] Ibid.

floor.[9] In addition, domestic manufacturers could raise prices in line with their share of the overall market.

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Table 5
Economic Impact of the Loss from a 25 Percent Tariff on Imported Wine

	Jobs	Wages	Output
Direct	(15,418)	$ (547,081,727)	$ (1,518,141,903)
Production	(1,391)	$ (93,143,970)	$ (487,634,118)
Distribution	(993)	$ (84,400,724)	$ (243,480,751)
Retail	(13,034)	$ (369,537,033)	$ (787,027,035)
Supplier	(15,418)	$ (547,081,727)	$ (1,514,689,927)
Induced	(5,618)	$ (356,358,907)	$ (1,061,627,884)
Total	(36,453)	$ (1,450,522,362)	$ (4,094,459,714)

Taxes	Federal	State	Total
Consumption	$ (15,950,860)	$ (10,471,645,580)	$ (10,487,596,440)
Business	$ (693,205,180)	$ (239,380,558)	$ (932,585,738)
Tariff	$ 364,254,570	$ -	$ 364,254,570
Total	$ (344,901,471)	$ (10,711,026,137)	$ (11,055,927,608)

Whiskey

As was documented above the effect of the tariff on whiskey and spirits sales in general was about what was to be expected from the earlier modeling. Changes in imported whiskeys (even if some of it is made up for by American or other substitutes) would result in lost jobs as wholesalers need fewer truck drivers, clerks and warehouse staff. As the table below shows, nearly 1,350 alcohol distributor jobs could be lost because of higher prices resulting from tariffs. Including all firms in the whiskey industry, those that supply the industry and those who depend on re-spending by direct and supplier firm employees, this would lead to a total of nearly 41,880 lost jobs and $1,723.1 million in lost wages. On top of this, the cost to the American economy could be nearly $6,027.2 million in economic activity.

This impact accounts only for the $485.0 million cost of the import tax. The actual impact will likely be much larger. Economic theory suggests that when tariffs impose a price floor, that all trading partners price their

Tariffs Impact American Business

It is not just European farmers who are impacted by tariffs, but American Firms. In some cases, more than half of the retail value of wines and spirits coming from Europe is added by US based firms, including: Importers, brokers, stevedores, wholesale distributors, and on- and off-premise retailers like neighborhood package stores, and restaurants. These tariffs impact two of the main suppliers to the American market. Both France and Spain are among the top exporting countries for wine. Spain exported 21.3 million hectoliters and France, 14.2 million. On the spirits side, every ounce of Scotch consumed in America comes from the United Kingdom.

The tariff would lead to a reduction of nearly 41,890 American jobs, just from reduced imports of scotch and Irish whiskey alone.

[9] This is general economic theory. Tariffs would have no impact on domestic firms were they not able to raise prices.

products at least at that level. Since the domestic price of the imported product rises by at least the amount of the tariff, domestic producers competing with these imports can also raise their prices in line with the price of imports. In this case, it is generally expected that manufacturers exporting to the US from other countries will raise the prices of their products to levels set just under the tariff-imposed price floor.[10] In addition, domestic manufacturers could raise prices in line with their share of the overall market.

Taking the tariff revenues into account, the federal government would lose a net of $776.3 million once other taxes were taken into account. State and local governments would see their revenues drop by a stunning $2,245.3 million, something that should be of major concern following the tax losses due to the government-imposed shutdowns over COVID-19. The effect in each of the states is included as an appendix to this document.

Table 3
Economic Impact of the Loss from a 25 Percent Tariff on Imported Whiskey

	Jobs	Wages	Output
Direct	(17,737)	$ (644,113,134)	$ (2,300,944,867)
Production	(716)	$ (70,936,176)	$ (991,569,613)
Distribution	(1,343)	$ (114,259,922)	$ (329,517,660)
Retail	(15,678)	$ (458,917,035)	$ (979,857,594)
Supplier	(17,737)	$ (644,113,134)	$ (2,334,313,284)
Induced	(6,406)	$ (434,851,509)	$ (1,391,942,075)
Total	(41,880)	$ (1,723,077,776)	$ (6,027,200,226)

Taxes	Federal	State	Total
Consumption	$ (170,816,734)	$ (1,647,447,650)	$ (1,818,264,385)
Business	$ (1,090,483,586)	$ (597,843,318)	$ (1,688,326,905)
Tariff	$ 484,972,719	$ -	$ 484,972,719
Total	$ (776,327,601)	$ (2,245,290,968)	$ (3,021,618,570)

Cordials

As was documented above the effect of the tariff on sales of cordials in general was about what was to be expected from the earlier modeling. Changes in imported cordials (even if some of it is made up for by American or other substitutes) would result in lost jobs as wholesalers need fewer truck drivers, clerks and warehouse staff. As the table below shows, nearly 460 alcohol distributor jobs could be lost because of higher prices resulting from tariffs. Including all firms in the cordials industry, those that supply the industry and those who depend on re-spending by direct and supplier firm employees, this would lead to a total of 14,230 lost jobs and $582.7 million in lost wages. On top of this, the cost to the American economy could be nearly $2,040.6 million in economic activity.

This impact accounts only for the $178.9 million cost of the import tax. The actual impact will likely be much larger. Economic theory suggests that when tariffs impose a price floor, that all trading partners price their products at least at that level. Since the domestic price of the imported product rises by at least the amount of the tariff, domestic producers competing with these imports can also raise their prices in line with the price of imports. In this case, it is generally expected that manufacturers exporting to the US from other countries will raise the prices of their products to levels set just under the tariff-imposed price

[10] Ibid.

floor.[11] In addition, domestic manufacturers could raise prices in line with their share of the overall market.

Table 3
Economic Impact of the Loss from a 25 Percent Tariff on Imported Cordials

	Jobs	Wages	Output
Direct	(6,030)	$ (217,937,743)	$ (783,045,808)
Production	(244)	$ (24,172,370)	$ (337,889,475)
Distribution	(458)	$ (38,935,466)	$ (112,287,174)
Retail	(5,328)	$ (154,829,907)	$ (332,869,159)
Supplier	(6,030)	$ (217,937,743)	$ (787,062,690)
Induced	(2,169)	$ (146,870,307)	$ (470,482,453)
Total	(14,229)	$ (582,745,793)	$ (2,040,590,952)

Taxes	Federal	State	Total
Consumption	$ (58,207,892)	$ (1,915,325,063)	$ (1,973,532,954)
Business	$ (382,959,058)	$ (198,090,918)	$ (581,049,977)
Tariff	$ 178,924,516	$ -	$ 178,924,516
Total	$ (262,242,434)	$ (2,113,415,981)	$ (2,375,658,415)

Taking the tariff revenues into account, the federal government would lose a net of $262.2 million once other taxes were taken into account. State and local governments would see their revenues drop by a stunning $2,133.4 million, something that should be of major concern following the tax losses due to the government-imposed shutdowns over COVID-19. The effect in each of the states is included as an appendix to this document.

Extension of the Tariff

Some in the Administration have suggested that the 25 percent tariff should be expanded to include still wines from Italy. Looking at the import data from the Department of Commerce, to date there has not been a statistically significant impact on imports of Italian still wines as a result of the tariff placed on wines from other European countries. Even so, it would be reasonable to assume that a similar tariff imposed on Italian still wines would have a similar impact as those imposed on the other countries. Based on this, it is possible to estimate the economic effects were the tariff to be expanded.

Italy is the Most Important Wine Producing Country

Extending the tariff to cover wines imported from Italy will have a tremendous impact on American businesses. Italy is the worlds largest wine producing country, and the largest European supplier to the United States. Bottlings and varietals that are not available from anywhere else in the world come from Italy, including Barolo, Chianti and Prosecco, can only be made in Italy. Due to the huge demand for specific Italian wines in the United States it is estimated that a tariff could lead to over 18,600 lost FTE jobs including thousands in already hard- hit restaurants and bars that feature these special wines.

Were the tariff to be extended to cover wines from Italy, it is estimated that imports would decrease by an additional 9.5 million gallons. This makes sense when one considers that the United States imported about as much wine from Italy as from all of the other countries impacted by the tariff on wine.[12] Changes in imported wines (even if some of it is made up for by American or other substitutes) would result in lost jobs as wholesalers need fewer truck drivers, clerks and warehouse

[11] Ibid.

[12] Imports in September 2019 from Italy were equal to 82.1 percent of the imports from France, Spain, Britain and Germany combined. Customs value (or CIF) for wine and spirits imported into the United States. Source: US Department of Commerce, Bureau of the Census, *USATrade Online*, at: https://usatrade.census.gov/

staff. As the table below shows, over 500 alcohol distributor jobs could be lost because of higher prices resulting from tariffs.

Including all firms in the wine industry, those that supply the industry and those who depend on re-spending by direct and supplier firm employees, this would lead to a total of 18,610 additional lost jobs and $753.1 million in lost wages. On top of this, the cost to the American economy could be nearly $2,135.4 million in economic activity.

Table 4
Economic Impact of the Loss from a 25 Percent Tariff on Wine Imports from Italy

	Jobs	Wages	Output
Direct	(7,823)	$ (281,165,464)	$ (777,902,834)
Production	(723)	$ (48,426,018)	$ (253,523,430)
Distribution	(505)	$ (43,150,428)	$ (124,047,356)
Retail	(6,595)	$ (189,589,018)	$ (400,332,048)
Supplier	(7,823)	$ (281,165,464)	$ (797,002,557)
Induced	(2,965)	$ (190,775,588)	$ (560,517,390)
Total	(18,611)	$ (753,106,517)	$ (2,135,422,780)

Taxes	Federal	State	Total
Consumption	$ (8,292,933)	$ (10,630,450,619)	$ (10,638,743,552)
Business	$ (356,391,776)	$ (126,634,629)	$ (483,026,405)
Tariff	$ 183,030,182	$ -	$ 183,030,182
Total	$ (181,654,527)	$ (10,757,085,248)	$ (10,938,739,775)

Taking the tariff revenues into account, the federal government would lose a net of $181.7 million once other taxes were taken into account. State and local governments would see their revenues drop by a stunning $10,757.1 million, something that should be of major concern following the tax losses due to the government-imposed shutdowns over COVID-19. The effect in each of the states is included as an appendix to this document.

Appendix 1
Impact of 25 Percent Tariff Across States

	Jobs				Wages				Output				Federal Tax				State Tax			
State	Cordials	Wine	Whiskey	Total	Cordials	Wine	Whiskey	Total	Cordials	Wine	Whiskey	Total	Cordials	Wine	Whiskey	Total	Cordials	Wine	Whiskey	Total
AL	(71)	(60)	(149)	(280)	$ (2,922,034)	$ (1,704,470)	$ (6,367,764)	$ (10,994,267)	$ (10,293,454)	$ (4,804,173)	$ (22,635,657)	$ (37,733,284)	$ (1,716,403)	$ (378,923)	$ (3,489,237)	$ (5,584,562)	$ 60,501,896	$ (26,318,187)	$ 62,051,982	$ 96,235,691
AK	(30)	(119)	(114)	(263)	$ (1,137,743)	$ (4,383,962)	$ (4,354,642)	$ (9,876,348)	$ (3,465,391)	$ (10,411,847)	$ (12,861,262)	$ (26,738,500)	$ (485,925)	$ (919,640)	$ (1,911,254)	$ (3,316,818)	$ (4,179,864)	$ (17,826,467)	$ (4,671,782)	$ (26,678,113)
AZ	(93)	(707)	(397)	(1,197)	$ (3,913,582)	$ (23,539,858)	$ (15,359,396)	$ (42,812,836)	$ (10,685,714)	$ (61,024,357)	$ (41,848,568)	$ (113,558,640)	$ (1,300,076)	$ (5,575,826)	$ (5,730,151)	$ (12,606,054)	$ (48,719,539)	$ (145,857,225)	$ (47,625,178)	$ (242,201,942)
AR	(53)	(265)	(218)	(536)	$ (3,235,428)	$ (7,821,235)	$ (11,638,497)	$ (22,695,160)	$ (29,140,231)	$ (24,291,978)	$ (101,809,627)	$ (155,241,836)	$ (1,398,716)	$ (1,836,122)	$ (6,177,316)	$ (9,412,154)	$ (110,373,164)	$ (6,000,791)	$ (118,098,845)	$ (234,472,800)
CA	(1,484)	(6,966)	(5,763)	(14,213)	$ (66,132,783)	$ (394,281,156)	$ (250,534,681)	$ (710,948,619)	$ (187,884,820)	$ (1,204,292,038)	$ (699,847,259)	$ (2,092,024,117)	$ (24,868,822)	$ (101,021,099)	$ (97,066,503)	$ (222,956,424)	$ (773,630,422)	$ (4,135,503,321)	$ (793,415,176)	$ (5,702,548,919)
CO	(481)	(1,207)	(1,616)	(3,304)	$ (17,635,257)	$ (42,111,482)	$ (58,700,973)	$ (118,447,713)	$ (57,296,315)	$ (108,619,648)	$ (189,549,474)	$ (355,465,437)	$ (8,913,274)	$ (10,133,301)	$ (30,091,304)	$ (49,137,879)	$ (158,682,811)	$ (211,142,604)	$ (160,115,375)	$ (529,940,789)
CT	(214)	(100)	(485)	(799)	$ (13,157,540)	$ (4,314,723)	$ (32,297,866)	$ (49,770,129)	$ (54,819,090)	$ (12,247,220)	$ (134,906,200)	$ (201,972,510)	$ (5,807,216)	$ (1,089,243)	$ (12,988,350)	$ (19,884,809)	$ (194,448,347)	$ (111,728,687)	$ (195,165,306)	$ (501,342,340)
DE	(76)	(156)	(221)	(453)	$ (3,012,628)	$ (6,487,117)	$ (8,761,300)	$ (18,261,046)	$ (8,565,045)	$ (16,630,323)	$ (24,889,913)	$ (50,085,282)	$ (1,793,035)	$ (1,456,576)	$ (5,197,717)	$ (8,447,327)	$ (26,791,384)	$ (36,983,268)	$ (27,053,902)	$ (90,828,554)
FL	(1,291)	(1,703)	(4,389)	(7,383)	$ (44,730,165)	$ (56,778,055)	$ (150,008,034)	$ (251,516,254)	$ (140,602,075)	$ (147,741,844)	$ (470,262,446)	$ (758,606,365)	$ (26,033,491)	$ (15,040,416)	$ (88,876,397)	$ (129,950,303)	$ 24,332,402	$ (490,616,951)	$ 18,245,546	$ (448,039,003)
GA	(470)	(541)	(1,574)	(2,585)	$ (15,171,391)	$ (18,126,119)	$ (50,077,629)	$ (83,375,138)	$ (44,773,882)	$ (49,452,163)	$ (148,257,258)	$ (242,483,303)	$ (9,422,467)	$ (4,262,003)	$ (31,682,118)	$ (45,366,588)	$ (17,072,385)	$ (185,776,983)	$ (19,908,841)	$ (222,758,210)
HI	(76)	(213)	(227)	(516)	$ (3,058,107)	$ (8,135,668)	$ (9,133,782)	$ (20,327,558)	$ (8,809,314)	$ (19,661,994)	$ (26,279,764)	$ (54,751,072)	$ (1,022,644)	$ (1,773,139)	$ (3,061,233)	$ (5,857,017)	$ (32,518,176)	$ (53,736,403)	$ (32,822,466)	$ (119,077,046)
ID	(63)	(113)	(141)	(316)	$ (3,017,722)	$ (4,102,499)	$ (6,952,198)	$ (14,072,419)	$ (9,473,826)	$ (12,841,298)	$ (22,474,513)	$ (44,789,636)	$ (894,376)	$ (921,465)	$ (1,932,329)	$ (3,748,171)	$ (36,866,238)	$ (27,781,586)	$ (36,673,778)	$ (101,321,601)
IL	(529)	(1,375)	(1,140)	(3,044)	$ (23,789,948)	$ (51,982,567)	$ (54,450,147)	$ (130,222,662)	$ (81,487,583)	$ (132,320,220)	$ (191,148,953)	$ (404,956,757)	$ (9,095,550)	$ (12,240,358)	$ (19,352,155)	$ (40,688,063)	$ (152,803,777)	$ (323,948,004)	$ (152,674,645)	$ (629,426,426)
IN	(164)	(754)	(498)	(1,415)	$ (6,252,716)	$ (22,968,154)	$ (18,827,762)	$ (48,048,632)	$ (21,961,967)	$ (63,954,962)	$ (66,074,042)	$ (151,990,971)	$ (2,567,802)	$ (4,867,559)	$ (7,826,841)	$ (15,262,203)	$ (14,585,913)	$ (91,852,284)	$ (14,054,050)	$ (120,492,247)
IA	(125)	(43)	(258)	(426)	$ (3,545,908)	$ (1,056,147)	$ (7,553,264)	$ (12,155,319)	$ (11,274,820)	$ (5,122,285)	$ (24,381,895)	$ (40,779,001)	$ (1,501,196)	$ (210,238)	$ (3,065,933)	$ (4,777,366)	$ 33,285,369	$ (52,571,804)	$ 33,682,174	$ 14,395,739
KS	(86)	(630)	107	(610)	$ (2,621,744)	$ (18,342,279)	$ 2,342,767	$ (18,621,256)	$ (7,865,108)	$ (50,026,691)	$ 6,224,285	$ (51,667,515)	$ (1,276,201)	$ (3,882,215)	$ 1,759,061	$ (3,399,356)	$ 35,605,028	$ (14,346,113)	$ 40,166,540	$ 61,425,455
KY	(344)	(952)	(1,161)	(2,457)	$ (24,676,792)	$ (28,776,663)	$ (78,534,343)	$ (131,987,797)	$ (183,988,332)	$ (82,143,334)	$ (589,633,862)	$ (855,765,528)	$ (11,502,202)	$ (5,980,072)	$ (39,387,817)	$ (56,870,092)	$ (778,309,180)	$ (23,740,172)	$ (807,755,215)	$ (1,609,804,567)
LA	336	(307)	535	563	$ 8,900,558	$ (9,963,199)	$ 12,650,486	$ 11,587,845	$ 27,018,605	$ (25,669,617)	$ 37,990,536	$ 39,339,524	$ 5,534,697	$ (1,960,301)	$ 9,032,516	$ 12,606,912	$ (31,467,181)	$ (85,841,471)	$ (28,609,293)	$ (145,917,945)
ME	(68)	(125)	(204)	(397)	$ (2,212,092)	$ (3,712,730)	$ (6,595,270)	$ (12,520,091)	$ (8,224,208)	$ (10,104,530)	$ (24,470,990)	$ (42,799,729)	$ (912,860)	$ (849,583)	$ (2,728,017)	$ (4,490,460)	$ (1,270,383)	$ (25,234,156)	$ (1,237,840)	$ (27,742,380)
MD	(339)	(428)	(882)	(1,648)	$ (14,325,030)	$ (15,776,612)	$ (37,791,251)	$ (67,892,893)	$ (60,046,260)	$ (41,160,642)	$ (160,461,234)	$ (261,668,136)	$ (7,102,331)	$ (3,622,128)	$ (18,358,514)	$ (29,082,973)	$ 2,514,244	$ (22,966,618)	$ 1,099,942	$ (19,352,433)
MA	(362)	(961)	(1,080)	(2,403)	$ (15,862,343)	$ (38,763,575)	$ (47,129,371)	$ (101,755,289)	$ (41,998,679)	$ (89,541,810)	$ (124,778,987)	$ (256,319,475)	$ (5,637,332)	$ (9,124,310)	$ (16,801,026)	$ (31,562,668)	$ (143,753,740)	$ (285,565,476)	$ (142,787,622)	$ (572,106,837)
MI	(377)	(657)	(802)	(1,835)	$ (13,705,258)	$ (21,896,777)	$ (31,329,064)	$ (66,931,100)	$ (43,781,860)	$ (63,365,709)	$ (100,331,004)	$ (207,478,572)	$ (5,589,182)	$ (4,975,342)	$ (11,695,378)	$ (22,259,902)	$ 149,278,744	$ (217,623,682)	$ 149,388,993	$ 81,044,055
MN	(469)	(644)	(1,275)	(2,388)	$ (15,598,867)	$ (20,308,398)	$ (42,678,136)	$ (78,585,402)	$ (47,744,463)	$ (51,743,474)	$ (130,816,211)	$ (230,304,148)	$ (8,057,675)	$ (4,348,692)	$ (21,866,860)	$ (34,273,227)	$ 57,571,946	$ (148,093,215)	$ 55,556,756	$ (34,964,513)
MS	(5)	(332)	(40)	(376)	$ (253,143)	$ (8,167,794)	$ (1,353,878)	$ (9,774,815)	$ (934,396)	$ (23,740,074)	$ (4,740,765)	$ (29,415,234)	$ (43,087)	$ (1,715,294)	$ (746,019)	$ (2,504,399)	$ 57,729,044	$ 4,448,748	$ 58,421,760	$ 120,599,552
MO	(147)	(626)	(400)	(1,174)	$ (6,053,786)	$ (19,437,480)	$ (16,833,691)	$ (42,324,957)	$ (26,352,260)	$ (62,604,150)	$ (73,777,483)	$ (162,733,893)	$ (2,603,389)	$ (4,579,884)	$ (7,030,296)	$ (14,213,570)	$ (120,357,268)	$ (143,570,921)	$ (120,595,278)	$ (384,523,468)
MT	(97)	(91)	(293)	(481)	$ (2,963,069)	$ (2,497,960)	$ (8,931,622)	$ (14,392,651)	$ (15,052,292)	$ (6,998,175)	$ (45,180,208)	$ (67,230,675)	$ (1,379,298)	$ (547,836)	$ (4,170,280)	$ (6,097,414)	$ (14,950,749)	$ (26,067,116)	$ (15,789,405)	$ (56,807,270)
NE	151	(137)	193	208	$ 4,001,933	$ (4,072,986)	$ 4,547,379	$ 4,476,326	$ 11,580,203	$ (11,274,097)	$ 13,212,946	$ 13,519,052	$ 2,149,491	$ (772,668)	$ 2,816,335	$ 4,193,159	$ 1,915,239	$ (31,561,220)	$ 2,882,777	$ (26,763,204)
NV	(372)	(975)	(1,118)	(2,465)	$ (13,874,025)	$ (36,289,495)	$ (41,612,188)	$ (91,775,708)	$ (44,486,226)	$ (112,921,964)	$ (133,469,095)	$ (290,877,286)	$ (5,816,561)	$ (9,890,195)	$ (17,475,139)	$ (33,181,895)	$ (64,720,298)	$ (173,703,657)	$ (64,941,253)	$ (303,365,208)
NH	(96)	(178)	(284)	(559)	$ (3,499,368)	$ (6,347,695)	$ (10,343,658)	$ (20,190,721)	$ (10,715,727)	$ (16,031,003)	$ (31,668,613)	$ (58,415,343)	$ (2,529,495)	$ (1,556,325)	$ (7,482,946)	$ (11,568,766)	$ (3,592,642)	$ (16,188,256)	$ (2,262,979)	$ (22,043,878)
NJ	(428)	(674)	(1,137)	(2,239)	$ (16,693,936)	$ (26,135,902)	$ (44,899,545)	$ (87,729,384)	$ (43,604,866)	$ (65,192,039)	$ (117,180,664)	$ (225,977,569)	$ (8,773,868)	$ (6,694,667)	$ (23,233,998)	$ (38,702,532)	$ 12,590,053	$ (183,537,531)	$ 12,175,491	$ (158,771,987)
NM	(57)	(211)	127	(141)	$ (1,836,219)	$ (6,919,375)	$ 3,123,717	$ (5,631,877)	$ (6,462,923)	$ (25,193,229)	$ 7,397,382	$ (24,258,771)	$ (802,550)	$ (1,437,993)	$ 2,256,150	$ 15,607	$ 8,598,000	$ (44,433,423)	$ 10,998,962	$ (24,836,461)
NY	(1,224)	(3,276)	(3,634)	(8,134)	$ (61,417,778)	$ (150,693,765)	$ (181,955,817)	$ (394,067,359)	$ (242,059,788)	$ (377,521,224)	$ (716,811,168)	$ (1,336,392,179)	$ (27,576,318)	$ (35,267,001)	$ (81,877,848)	$ (144,721,167)	$ (721,297,278)	$ (775,626,850)	$ (795,680,783)	$ (2,292,604,911)
NC	(247)	(565)	(521)	(1,332)	$ (11,391,885)	$ (20,336,257)	$ (25,770,083)	$ (57,498,226)	$ (37,410,889)	$ (57,165,339)	$ (83,817,179)	$ (178,393,407)	$ (4,174,948)	$ (4,373,111)	$ (8,702,026)	$ (17,250,085)	$ (46,511,991)	$ (228,011,071)	$ (44,795,541)	$ (319,318,603)
ND	(83)	(219)	(247)	(549)	$ (2,355,996)	$ (6,075,036)	$ (7,005,804)	$ (15,436,837)	$ (7,106,310)	$ (16,255,373)	$ (21,131,168)	$ (44,492,851)	$ (1,159,088)	$ (1,154,010)	$ (3,451,185)	$ (5,764,284)	$ 3,243,186	$ (14,058,621)	$ 2,929,524	$ (7,885,910)
OH	(481)	(825)	(1,312)	(2,617)	$ (15,668,112)	$ (25,179,178)	$ (43,151,484)	$ (83,998,774)	$ (54,996,519)	$ (77,677,508)	$ (152,225,890)	$ (284,899,917)	$ (6,144,990)	$ (5,618,799)	$ (16,744,486)	$ (28,508,274)	$ 151,173,174	$ (252,695,746)	$ 145,596,744	$ 44,074,171
OK	(159)	(488)	(301)	(948)	$ (5,308,493)	$ (15,821,007)	$ (10,407,867)	$ (31,537,367)	$ (14,727,314)	$ (42,832,928)	$ (29,000,327)	$ (86,560,570)	$ (3,174,271)	$ (3,121,345)	$ (5,914,485)	$ (12,210,101)	$ 61,426,741	$ (13,612,065)	$ 62,902,690	$ 110,717,367
OR	(178)	(530)	(529)	(1,237)	$ (7,287,328)	$ (21,774,276)	$ (21,616,705)	$ (50,678,308)	$ (26,309,783)	$ (76,527,522)	$ (77,957,596)	$ (180,794,901)	$ (2,872,303)	$ (5,126,386)	$ (8,549,460)	$ (16,548,149)	$ (179,198,594)	$ (330,485,637)	$ (179,569,679)	$ (689,253,910)
PA	(366)	(795)	(1,091)	(2,252)	$ (14,757,316)	$ (29,021,974)	$ (43,917,666)	$ (87,696,956)	$ (47,287,036)	$ (84,879,977)	$ (140,581,803)	$ (272,748,817)	$ (5,569,110)	$ (6,131,372)	$ (16,594,112)	$ (28,294,594)	$ (116,539,990)	$ (246,632,978)	$ (117,394,325)	$ (480,567,293)
RI	(108)	(307)	(350)	(765)	$ (3,656,554)	$ (10,184,896)	$ (11,783,619)	$ (25,625,070)	$ (10,960,168)	$ (25,601,427)	$ (35,277,269)	$ (71,838,864)	$ (1,815,768)	$ (2,485,932)	$ (5,908,407)	$ (10,210,107)	$ (2,750,994)	$ (19,746,573)	$ (3,951,006)	$ (26,448,573)
SC	(271)	(481)	(762)	(1,514)	$ (8,363,775)	$ (14,859,582)	$ (23,620,552)	$ (46,843,908)	$ (29,277,016)	$ (40,491,041)	$ (82,783,091)	$ (152,551,148)	$ (5,273,228)	$ (3,373,274)	$ (14,794,396)	$ (23,440,897)	$ 65,449,669	$ (67,130,377)	$ 63,317,638	$ 61,636,930
SD	(71)	(172)	(187)	(430)	$ (2,029,418)	$ (4,847,305)	$ (5,378,285)	$ (12,255,007)	$ (6,859,980)	$ (14,582,526)	$ (18,211,731)	$ (39,654,237)	$ (1,095,398)	$ (1,001,611)	$ (2,861,729)	$ (4,958,739)	$ 2,817,561	$ (16,487,206)	$ 2,575,457	$ (11,094,189)
TN	(288)	(920)	(763)	(1,971)	$ (11,564,436)	$ (31,719,127)	$ (31,114,408)	$ (74,397,971)	$ (51,529,953)	$ (86,757,627)	$ (139,704,142)	$ (277,991,723)	$ (6,196,570)	$ (7,311,244)	$ (16,247,581)	$ (29,755,394)	$ 44,603,931	$ (17,702,624)	$ 45,231,132	$ 72,132,439
TX	(1,348)	(2,483)	(4,022)	(7,852)	$ (49,514,430)	$ (91,156,765)	$ (147,506,539)	$ (288,177,734)	$ (144,650,228)	$ (245,893,831)	$ (430,861,496)	$ (821,405,554)	$ (22,697,928)	$ (20,796,819)	$ (67,750,492)	$ (111,245,239)	$ 284,456,080	$ (473,176,466)	$ 289,529,790	$ 100,809,404
UT	(48)	(137)	(199)	(384)	$ (1,839,002)	$ (3,974,792)	$ (7,265,434)	$ (13,079,228)	$ (10,538,106)	$ (12,473,886)	$ (39,546,774)	$ (62,558,766)	$ (877,322)	$ (909,494)	$ (3,732,906)	$ (5,519,722)	$ (34,490,018)	$ (16,327,519)	$ (35,120,764)	$ (85,938,301)
VT	(60)	(73)	(153)	(286)	$ (1,884,297)	$ (2,210,641)	$ (4,827,467)	$ (8,922,405)	$ (7,428,455)	$ (6,189,516)	$ (19,322,621)	$ (32,940,591)	$ (755,892)	$ (504,340)	$ (1,907,808)	$ (3,168,040)	$ 27,848,410	$ (12,254,435)	$ 27,722,293	$ 43,316,269
VA	(191)	(721)	(384)	(1,296)	$ (10,064,864)	$ (26,843,904)	$ (21,752,964)	$ (58,661,732)	$ (34,953,689)	$ (82,873,620)	$ (77,858,243)	$ (195,685,553)	$ (2,797,027)	$ (6,389,067)	$ (5,430,074)	$ (14,616,167)	$ 65,553,577	$ (240,745,976)	$ 65,803,740	$ (109,388,660)
WA	(585)	(849)	(1,404)	(2,838)	$ (23,441,859)	$ (37,580,137)	$ (57,528,453)	$ (118,550,450)	$ (78,042,618)	$ (124,842,107)	$ (191,979,683)	$ (394,864,407)	$ (11,605,123)	$ (9,526,453)	$ (27,555,753)	$ (48,687,330)	$ 559,386,787	$ (444,951,672)	$ 558,907,293	$ 673,342,408
WV	(40)	(96)	(116)	(252)	$ (1,260,626)	$ (2,581,316)	$ (3,633,947)	$ (7,475,889)	$ (4,466,039)	$ (7,998,693)	$ (12,885,945)	$ (25,350,678)	$ (656,872)	$ (607,323)	$ (1,887,086)	$ (3,151,280)	$ 21,276,735	$ 7,073,010	$ 20,970,280	$ 49,320,025
WI	(259)	(911)	(220)	(1,390)	$ (7,987,434)	$ (25,180,974)	$ (9,431,140)	$ (42,599,548)	$ (24,413,222)	$ (71,249,893)	$ (29,376,542)	$ (125,039,656)	$ (3,526,131)	$ (5,450,597)	$ (2,593,072)	$ (11,569,799)	$ (16,962,997)	$ (165,859,596)	$ (13,551,205)	$ (196,373,798)
WY	(7)	(67)	(53)	(127)	$ (223,301)	$ (1,746,864)	$ (1,626,681)	$ (3,596,846)	$ (1,234,079)	$ (5,163,228)	$ (6,958,969)	$ (13,356,275)	$ (88,730)	$ (358,594)	$ (791,832)	$ (1,239,157)	$ (4,484,661)	$ (8,120,503)	$ (4,556,187)	$ (17,161,351)
DC	(234)	(290)	(730)	(1,255)	$ (10,742,754)	$ (13,532,435)	$ (33,397,257)	$ (57,672,446)	$ (23,147,439)	$ (26,355,559)	$ (71,997,791)	$ (121,500,788)	$ (3,003,878)	$ (1,879,210)	$ (9,373,330)	$ (14,256,418)	$ 6,756,187	$ (18,804,389)	$ 5,429,247	$ (6,618,954)
US	(14,229)	(36,453)	(41,880)	(92,563)	$ (582,745,793)	$ (1,450,522,362)	$ (1,723,077,776)	$ (3,756,345,930)	$ (2,040,590,952)	$ (4,094,459,714)	$ (6,027,200,226)	$ (12,162,250,892)	$ (262,242,434)	$ (344,901,471)	$ (776,327,601)	$ (1,383,471,506)	$ (2,113,415,981)	$ (10,711,026,137)	$ (2,245,290,968)	$ (15,069,733,087)

Appendix 2
Potential Impact of an Additional 25 Percent Tariff on Italian Wine

State	Jobs	Wages	Output	Federal Tax	State Tax
AL	(32)	$ (907,596)	$ (2,556,512)	$ (201,795)	$ (26,466,575)
AK	(72)	$ (2,635,318)	$ (6,255,276)	$ (552,822)	$ (17,886,155)
AZ	(241)	$ (8,009,178)	$ (20,986,131)	$ (1,896,476)	$ (146,367,751)
AR	(117)	$ (3,474,850)	$ (10,820,106)	$ (813,234)	$ (6,021,423)
CA	(4,337)	$ (237,704,990)	$ (725,913,246)	$ (62,644,639)	$ (4,151,073,975)
CO	(701)	$ (24,492,535)	$ (62,988,320)	$ (5,891,861)	$ (212,699,025)
CT	(92)	$ (4,011,027)	$ (10,715,501)	$ (1,005,850)	$ (112,677,735)
DE	(78)	$ (3,245,355)	$ (8,322,305)	$ (728,635)	$ (37,011,091)
FL	(852)	$ (28,395,291)	$ (73,927,334)	$ (7,520,703)	$ (493,422,899)
GA	(263)	$ (8,830,801)	$ (24,123,604)	$ (2,074,354)	$ (186,349,857)
HI	(71)	$ (2,727,442)	$ (6,610,451)	$ (594,090)	$ (53,676,256)
ID	(56)	$ (2,035,731)	$ (6,409,689)	$ (456,728)	$ (28,012,689)
IL	(476)	$ (17,936,349)	$ (46,718,578)	$ (4,228,560)	$ (325,138,973)
IN	(455)	$ (13,831,000)	$ (38,436,533)	$ (2,940,205)	$ (92,474,134)
IA	(108)	$ (2,866,212)	$ (9,323,678)	$ (556,369)	$ (52,869,162)
KS	(302)	$ (8,777,385)	$ (23,964,867)	$ (1,857,641)	$ (14,469,289)
KY	(547)	$ (16,523,576)	$ (47,092,577)	$ (3,433,408)	$ (23,321,854)
LA	(153)	$ (4,962,381)	$ (12,785,548)	$ (976,100)	$ (85,927,226)
ME	(63)	$ (1,875,851)	$ (5,108,845)	$ (428,842)	$ (25,418,031)
MD	(213)	$ (7,873,159)	$ (20,579,487)	$ (1,807,616)	$ (23,445,844)
MA	(623)	$ (25,146,235)	$ (57,866,148)	$ (5,917,213)	$ (287,675,354)
MI	(319)	$ (10,713,303)	$ (31,074,170)	$ (2,422,518)	$ (218,661,337)
MN	(218)	$ (6,932,677)	$ (17,776,720)	$ (1,473,630)	$ (148,614,280)
MS	(154)	$ (3,796,693)	$ (11,036,994)	$ (797,307)	$ 5,069,069
MO	(224)	$ (6,890,648)	$ (23,254,141)	$ (1,625,936)	$ (144,290,023)
MT	(60)	$ (1,650,615)	$ (4,566,303)	$ (362,188)	$ (26,117,724)
NE	(68)	$ (2,021,768)	$ (5,610,491)	$ (383,618)	$ (31,675,956)
NV	(392)	$ (14,607,635)	$ (45,463,888)	$ (3,977,840)	$ (174,313,601)
NH	(115)	$ (4,101,190)	$ (10,313,141)	$ (1,005,931)	$ (16,926,636)
NJ	(339)	$ (13,146,020)	$ (32,853,264)	$ (3,367,567)	$ (185,538,252)
NM	(77)	$ (2,611,403)	$ (9,834,550)	$ (524,731)	$ (44,482,719)
NY	(1,942)	$ (88,823,588)	$ (222,386,837)	$ (20,887,308)	$ (777,243,704)
NC	(265)	$ (9,689,852)	$ (27,250,166)	$ (2,060,079)	$ (228,728,095)
ND	(88)	$ (2,449,235)	$ (6,580,418)	$ (465,507)	$ (14,097,415)
OH	(413)	$ (12,604,140)	$ (39,046,773)	$ (2,813,514)	$ (253,103,420)
OK	(210)	$ (6,790,081)	$ (18,472,764)	$ (1,340,209)	$ (13,894,072)
OR	(283)	$ (11,576,878)	$ (40,548,356)	$ (2,731,172)	$ (331,465,604)
PA	(399)	$ (14,556,254)	$ (42,720,278)	$ (3,076,414)	$ (247,043,418)
RI	(164)	$ (5,428,803)	$ (13,644,357)	$ (1,325,306)	$ (19,812,797)
SC	(262)	$ (8,101,182)	$ (22,069,969)	$ (1,839,359)	$ (67,213,208)
SD	(89)	$ (2,503,257)	$ (7,531,942)	$ (517,234)	$ (16,548,283)
TN	(400)	$ (13,804,929)	$ (37,905,091)	$ (3,181,640)	$ (18,044,019)
TX	(849)	$ (31,150,091)	$ (85,809,069)	$ (7,097,428)	$ (478,915,300)
UT	(46)	$ (1,335,600)	$ (4,213,087)	$ (305,315)	$ (16,565,306)
VT	(39)	$ (1,180,635)	$ (3,302,071)	$ (269,553)	$ (12,406,801)
VA	(360)	$ (13,425,552)	$ (41,579,257)	$ (3,189,258)	$ (241,189,548)
WA	(428)	$ (18,956,657)	$ (63,231,366)	$ (4,801,458)	$ (446,228,375)
WV	(59)	$ (1,589,551)	$ (4,888,439)	$ (374,110)	$ 7,043,037
WI	(327)	$ (9,029,834)	$ (25,941,020)	$ (1,951,459)	$ (166,455,080)
WY	(23)	$ (604,415)	$ (1,824,197)	$ (124,563)	$ (8,138,259)
DC	(145)	$ (6,771,768)	$ (13,188,928)	$ (940,351)	$ (19,078,823)
US	(18,611)	$ (753,106,517)	$ (2,135,422,780)	$ (181,654,527)	$ (10,757,085,248)