

Huge tariffs alarm Italian pasta makers

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GRAGNANO, ITALY

Anti-dumping penalty will take levy on exports to U.S. above 100 percent

BY ESHE NELSON

Each day, as many as 20 trucks of semolina arrive at Garofalo, one of Italy's largest pasta exporters. The ground durum wheat can come from anywhere in the world, but every other step in the process must happen in Gragnano, a town outside Naples where Garofalo is based.

In the humid and deafeningly loud factory, the wheat is mixed with spring water from the nearby Lattari Mountains, and the dough is pressed through bronze-edged molds. The bronze gives the pasta a distinctive rough texture that allows sauce to cling to it better, the mark of high quality.

It's a process dictated by the local traditions that have earned Gragnano its reputation as the European capital of pasta and won it admirers from around the world.

A substantial amount of the pasta made by Garofalo is destined for American kitchens, which make up about a fifth of the company's sales. But that could end next year.

Garofalo and a dozen other Italian producers are facing tariffs of more than 100 percent on their exports to the United States, which could make their pasta prohibitively expensive.

"It's shocking," said Massimo Menna, the chief executive of Garofalo.

The companies have been accused of selling their products in the United States at artificially low prices and not cooperating with an investigation by the U.S. Department of Commerce. Their penalty could be a 91.74 percent anti-dumping duty.

For the companies, the investigation was a bewildering decision.

Something has gone "completely wrong," Mr. Menna said. He does not believe the Trump administration intends to "not let American consumers buy very good Italian products," he added. "Because at 90 percent, it would not be possible."

A Trump administration official blamed the companies for failing to respond properly to the Commerce Department's inquiry. "Italian pasta makers repeatedly screwed up a simple data request for a routine review of an anti-dumping probe," said Kush Desai, a White House spokesman.

For many European companies, authenticity is valued almost above all else. That can mean adhering to tradi-

cate traditions, slow production methods and strict requirements regarding the origins of their goods.

That commitment, whether it's French Champagne or Swiss cheese, has led people all over the world to associate European products with high quality. But these rules can also make it more difficult to respond to external challenges because they provide limited room to cut costs.

For Italian pasta producers, which are already trying to adjust to the 15 percent U.S. tariff that the European Union agreed to in the summer, the additional 91.74 percent anti-dumping duties could push the total tariff to about 107 percent, a fresh blow that could create a barrier to selling in the United States.

A BLAME GAME

President Trump has wielded tariffs as an economic weapon to tackle myriad concerns, including bringing manufacturing to the United States and stopping drug smugglers, but the additional duties on Italian pasta are different. Intended to be apolitical and follow strict legal processes, anti-dumping duties are used around the world when governments believe companies or other countries are trading unfairly.

The United States first imposed anti-dumping tariffs on Italian pasta producers about 30 years ago. At the behest of American companies, the Department of Commerce routinely investigates Italian producers for cheaply selling pasta.

This year, an investigation was requested by two American companies, 8th Avenue Food & Provisions, which owns Ronzoni pasta, and Winland Foods, which makes pasta under brands including San Giorgio and Prince.

For them, it was a routine request. The brands owned by Winland Foods have requested anti-dumping investigations for decades. Winland Foods declined to comment, and 8th Avenue Food & Provisions did not respond to a request for comment.

The Commerce Department looked at the sales of Garofalo and La Molisana, another large Italian pasta producer, from July 2023 to June 2024. The department said that the companies had failed to provide the requested information and that therefore a penalty tariff would be imposed. But it would also apply to nearly a dozen other companies, including some of the country's largest producers, Barilla and Rummo.

Mr. Menna called the situation "unbelievable." Sitting in Garofalo's head office, he and Gianni Schisa, the operations director, insisted that they had provided the information required, as they had done in previous investigations.

They wondered if there had been a misunderstanding about the way the data was sent, or whether the staff at the Commerce Department involved in the investigation had changed, did not understand pasta exports or was confused

by some labeling.

Garofalo has pushed back against the decision. If its appeals fail, however, it will have to pay tariffs that cover the yearlong investigation, costing about 15 million euros (\$17.4 million), Mr. Menna said. Tariffs would also be applied to future sales, a much more challenging situation. The final decision from the Commerce Department is not expected until early next year.

The Italian government and European Commission have intervened and made direct appeals to American officials, while speculation has grown about the political motivations for the tariffs.

Mr. Desai, the White House spokesman, said in a statement that the companies were at fault. "After they screwed up their initial responses, the Commerce Department explained to them what the problems were and asked them to fix those problems. They didn't," he said. "And then Commerce communicated the requirements again, and they didn't answer for a third time."

He added that the companies still had several months to engage with the review before the duties would be final. Still, the threat of punishing tariffs hangs over them.

A WAY OF LIFE

For many households, pasta is a simple pantry staple that provides an easy-to-fix meal after a long day at work. But in Gragnano, it is a craft that has defined the Italian town for centuries. Garofalo traces its history to 1789.

Here, in the shadow of Mount Vesuvius, the sea breeze from the Mediterranean and the mountain air create the ideal humidity for drying pasta outside. Today, the town's winding streets are still dotted with pastificios, as pasta makers are called. Near the central square is a mural depicting Totò, the Italian actor and comedian, stuffing a large handful of spaghetti directly into his mouth, an image from the 1954 film "Misericordia e Nobiltà," representing one of the most famous scenes in Italian cinema and the town's devotion to pasta.

The anxiety about tariffs above 100 percent has spread through the town.

A local pasta company, 28 Pastai, is not part of the anti-dumping investigation, but its chief executive, Elena Elefante, is still worried. She spent two years developing a unique blend of five Italian durum wheats to make the semolina for her company's pasta in an effort to capture the traditional taste of pasta from Gragnano. She started selling her bronze-drawn pasta, made on the site of

I dazi alle stelle mettono in allarme i produttori italiani di pasta



an old mill and pasta factory, in 2021.

But now she is worried that the duties will mean much higher prices on American shelves and create an opening for products that falsely proclaim they are made in Italy.

These duties could lead customers “not only to possibly turn away from the product because the price becomes, in short, unsustainable, but also to possibly prefer products that are labeled ‘Made in Italy’ with false labels,” she said.

Ms. Elefante said some customers had postponed orders amid the uncertainty. She said she had already offered discounts to customers since the 15 percent tariff rate went into effect, which cut into her profit margins.

It is an “alarming and worrying situation,” she said.

Her 28 Pastai produces pasta for Wegmans, a supermarket chain based on the U.S. East Coast, among other clients. But high tariffs could also encourage buyers to reconsider Italian production. In the worst-case scenario, authentic premium Italian products like hers could disappear from American shelves, she said.

Giovanni Milo, who opened a restaurant in the town three and a half years ago to honor his love of pasta, buys from local companies, including 28 Pastai. He said that if companies struggled to export, it was possible that they might raise prices at home. That is not happening yet, but he is conscious that overseas sales are essential to these local businesses.

Though high anti-dumping duties are casting a shadow over Garofalo and diverting energy toward the investigations, appeals and diplomatic outreaches to overturn them, the company is still hopeful that the tariffs are a mistake that will be rectified.

“We have the strength of the fact that we feel that we are right,” Mr. Menna said.