



The Bulk Infant Formula to Retail Shelves Act

Following multiple closures of an Abbot plant in Michigan in February 2022 and general supply chain struggles due to the pandemic, the United States' supply of infant formula plummeted.

In response to critical shortages of infant formula, the Food and Drug Administration (FDA) temporarily exercised enforcement discretion to help facilitate the importation of safe infant formula produced in other countries. Earlier this year, Congress passed the Formula Act, which removed tariffs of over 25% on imported baby formula through December 31, 2022. Since President Biden signed the bill into law July, parents have seen real savings on imported formula and stock rates have gone up since their low of 14% in May. While the Formula Act has helped alleviated the shortage, the nationwide stock rate is still only 39%, an unacceptable level for parents who need to feed their children. More needs to be done.

THE PROBLEM: AN INFANT FORMULA SHORTAGE AND SUBSTANTIAL TARIFFS INCREASE COSTS FOR FAMILIES

While the Formula Act suspended tariffs on infant formula packaged for retail sale, it did not suspend tariffs on infant formula base powder, a key foundational component that is mixed with nutrients and other ingredients to make the formula that parents buy on store shelves or online. Base powder has been an important part of the Biden administration's [Operation Fly Formula](#) and is poised to continue to play an important role in the months ahead.

THE SOLUTION: TEMPORARILY LIFT TARIFFS ON FORMULA BASE POWDER

The Bulk Infant Formula to Retail Shelves Act would temporarily lift tariffs on safe imported 'base powder,' a key foundational component that is mixed with nutrients and other ingredients to make the formula that parents buy on store shelves or online, through the end of the year. The current tariff is 13.6% + \$1.035/kg. The bill would cap the amount of base powder entering duty-free at 2,600 metric tons.

Lifting the tariffs on base powder and increasing domestic manufacturing would be especially helpful for families participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which must be used in brick-and-mortar retail stores and cannot be used for online purchases currently. About half the baby formula purchased in the United States is purchased through WIC.

Staff Contact: Abe Friedman, abe.friedman@mail.house.gov