



## Facebook posts: The United States can't import baby formula because of the U.S.-Mexico-Canada Agreement.

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Importing baby formula to the U.S. is allowed, albeit uncommon

If Your Time is short

- Almost all of the infant formula consumed in the U.S. is domestically produced. Importing baby formula to the U.S. is allowed but uncommon.
- The U.S.-Mexico-Canada Agreement established specific rules for importing baby formula from Mexico and Canada. However, many regulations around imports existed before the USMCA was adopted in 2020.

A recent Twitter post claimed the United States' trade policy with its North American neighbors is the reason why there's a shortage of baby formula nationwide.

"Why can't we just import baby formula?" the May 14 [tweet](#) said. "Ever heard of the United States Canada Mexico Agreement? That bit of legislation Trump and Republicans proudly replaced NAFTA with? Remember Trump bragging about that? Remember? That. That's why."

We found a similar claim on [Facebook](#). The post was flagged as part of Facebook's efforts to combat false news and misinformation on its News Feed. (Read more about our [partnership with Facebook](#).)

The U.S.-Mexico-Canada Agreement, which officially [replaced](#) the North American Free Trade Agreement in July 2020, did overhaul the country's trade policies with Canada and Mexico. But claiming that trade agreement is the sole reason the U.S. can't import baby formula vastly oversimplifies the issue.

The U.S. can import baby formula, but in a typical year, about 98% of the infant formula consumed in the U.S. is [domestically produced](#). Only a small amount of formula is imported from other countries, such as Mexico, Ireland, the Netherlands, Chile and Austria.

The importation of baby formula is subject to high tariffs and complex policies that aim to protect the U.S. dairy industry from competitors and ensure that formula is safe to consume.

Domestic and foreign manufacturers alike must adhere to government regulations and undergo review by the U.S. Food and Drug Administration in order to have their products approved for sale in the U.S.

The FDA requires baby formula to meet certain ingredient and nutrition requirements, and the products must follow specific labeling guidelines. For instance, the labels must be in English, except in areas where English is not the predominant language.

Once a baby formula product receives FDA approval, retailers must then wait 90 days before marketing it.

"It's a very heavily involved regulatory process, which is why it's difficult to import baby formula," said Gabby Beaumont-Smith, a policy analyst at the Cato Institute, a libertarian think tank.

The U.S. also requires foreign companies importing baby formula to pay tariffs of up to 17.5%. Additional duties can be placed on formula imports if they exceed a certain amount.

These tariffs, as well as the FDA regulations, existed before the USMCA was adopted. But the new trade deal did make some changes to the importation of baby formula from Canada and Mexico.

Provisions in the trade agreement limit how much baby formula Canada can export globally each year and impose charges if the exports exceed a certain amount. Currently, if Canadian businesses export more than 40,480 metric tons collectively, they would be subject to an export charge of \$4.25 (Canadian dollars) per kilogram. The U.S. didn't import any baby formula from Canada in 2021.

This limit was imposed at the insistence of U.S. authorities because there was concern prior to the new trade deal that Canada was "dumping" powdered milk products, which includes baby formula, said Andrew Novaković, a professor of agricultural economics at Cornell University.

"Dumping" is when a country or company persistently sells their product to a foreign buyer at a price considered to be at a loss, "usually for the purpose of simply gaining market share or punishing their foreign competitor," Novaković said.

Meanwhile, under the USMCA, Mexico is one of the few U.S. trading partners that can import baby formula duty-free. Only a small amount of baby formula, roughly 12,000 metric tons, was imported from Mexico last year, according to the U.S. International Trade Commission.

On May 16, the FDA announced new guidance on the importation of baby formula to help increase the availability of the product in stores across the U.S. The FDA is prioritizing manufacturers that have the largest volume of product available, can get their products onto shelves the quickest, and can demonstrate their product meets the agency's safety and nutrition standards.

### Our ruling

Social media posts claimed that the U.S. can't import baby formula due to the USMCA replacing NAFTA.

Importing baby formula to the U.S. is allowed, although these imports usually only make up about 2% of all baby formula consumption in the country.

The USMCA did make some changes to how baby formula is imported to the U.S., but many other regulatory policies affect imports as well. The trade agreement is not the only barrier to the U.S. importing more formula.

We rate this claim Mostly False.