



TARIFFTEL

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Global food trade is changing.

Why accurate classification matters.

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A bit about me

Elizabeth Davies

Head of Customs Classification & Compliance, TariffTel

- 30 years in logistics, supply chain and customs classification
- Level 5 Diploma in Advanced Customs Compliance
- Cross-sector experience: Retail, Food & Drink, Transportation, Automotive, Aerospace
- Leads classification methodology behind 1.5M+ products audited at 99.9% accuracy



The landscape

Food trade has not been this complicated in a generation.

Recent Tariff Developments

Constant updates whether it be on measures, sanctions, quotas, US reciprocal tariffs.

Rules of origin

Preferential tariff rates exist, but only if you have proof of origin. Make sure you are aware of the true origin of your product. Not doing due diligence on origin, can come back to bite you.

Regulatory load

CBAM, EUDR, anti-dumping, plastic packaging, sugar levies – all inform the tariff code. New SPS agreement.

Margin pressure

Manufacturing costs are up, retail prices rising. The places left to recover margin are operational – and classification is one of them.

Tariff codes sit behind all of these and they are routinely overlooked.

The most overlooked aspect of trade

Accurate classification

2 in 5

tariff codes used in food and drink businesses are wrong.

Error rates run highest in food and drink because products are complex.

Why?

- Classification is the only field on a customs declaration where the risk sits with the importer – but the decision is usually made by someone else.
- Brokers. Missing information from suppliers. Inherited spreadsheets. ChatGPT.

Get classification right, everything that follows is right

Classification is strategic, not a compliance task.

1 Margin protection

The right code = the right duty rate. The wrong code = duty overpayments, or duty avoided that HMRC will reclaim – with interest.

2 Free Trade Agreement eligibility

Preferential rates only apply if your tariff code aligns with the FTA's rules of origin. Wrong code, wrong product-specific rule, lost preference.

3 Sourcing decisions

Same SKU classifies differently in UK / EU / US. The code drives the duty which drives the landed cost – know this, you know where it makes sense to source and sell.

4 Total landed cost visibility

Tariff codes are the starting point to determine total landed cost. If the code is wrong, the rest is wrong – your pricing, your margin and your forecast will not withstand.

Protecting margins

Do you know your tea?

1



Green / Black
Not Sweetened - 0902
Duty 0%

2



Green / Black
Sweetened – 2101
Duty 6%

3



Chamomile
Herbal or Fruit Tea – 2106
Duty 0% - 12%

Free Trade Agreements (FTAs)

Preferential rates exist. They are useless if your code is wrong.

How FTAs actually work

- 1 You declare the tariff code at import.
- 2 The tariff code determines whether you are included as part of an FTA.
- 3 You declare if your product is included with FTA requirements.
- 4 You claim the preferential rate.

Wrong code = wrong rule = preference denied, even if you qualify.

70+

UK FTAs and trade arrangements active or in negotiation in 2026.

Key for food and drink

- UK–EU Trade and Cooperation Agreement
- CPTPP (Indo-Pacific, December 2024)
- UK–Australia FTA
- UK–CETA (Canada) rollover
- GSP for developing-country sourcing

Source: UK DBT trade agreements register, March 2026.

"Did we claim preference?" is the wrong question. "Could we have, if we'd classified properly?" is the right one.

Sourcing & landed cost

The same product, three markets, three duty rates.

Worked example: Premium dark chocolate bar, 70% cocoa, filled centre. Same SKU exported into three markets.

UK

Tariff code

1806.31

Duty rate

8%

UKGT – chocolate, filled, >2kg

EU

Tariff code

1806.31

Duty rate

**8.3% + EA MAX
18.70% + ADSZ**

TARIC – variable agricultural component

US

Tariff code

1806.32

Duty rate

5.6%

HTSUS – different sub-heading triggered

Same product. Different sub-heading in the US. Different agricultural component in the EU. Without that visibility, you are sourcing in the dark.

Sourcing decisions

Plant based substitutes example

The product: A Frozen Vegan Burger Patty

Frozen Vegetable Burger Patty – (2004)



UK duty rate **16%**

Vegan Burger Patty – (2106)



UK duty rate **0-12%**

In practice

How M&S and other British food and drink leaders manage classification.

Best practice

Centralised classification

Using one system to manage all product data gives one single source of the truth for classification and beyond.

Expert-backed, audit-ready

Composition, function, dimensions, GRI applied, etc. All documentation and decisions recorded.

Connected to ERP and PLM

Verified codes flow into the systems running freight, finance and pricing. No more spreadsheets or emails between teams.

Always up-to-date

Tariff schedules changes. Regulation updates. Products and ingredients change. Everything up-to-date in one system in real-time for complete visibility and control.



Tools that help

TTClassify – fast, accurate tariff codes

1 Centralise your data

One platform, every SKU, every market – connected to your ERP, PLM, broker and customs systems.

2 Classifies with verified logic

Expert-backed. Every code carries a documented audit trail.

3 Surfaces total landed cost

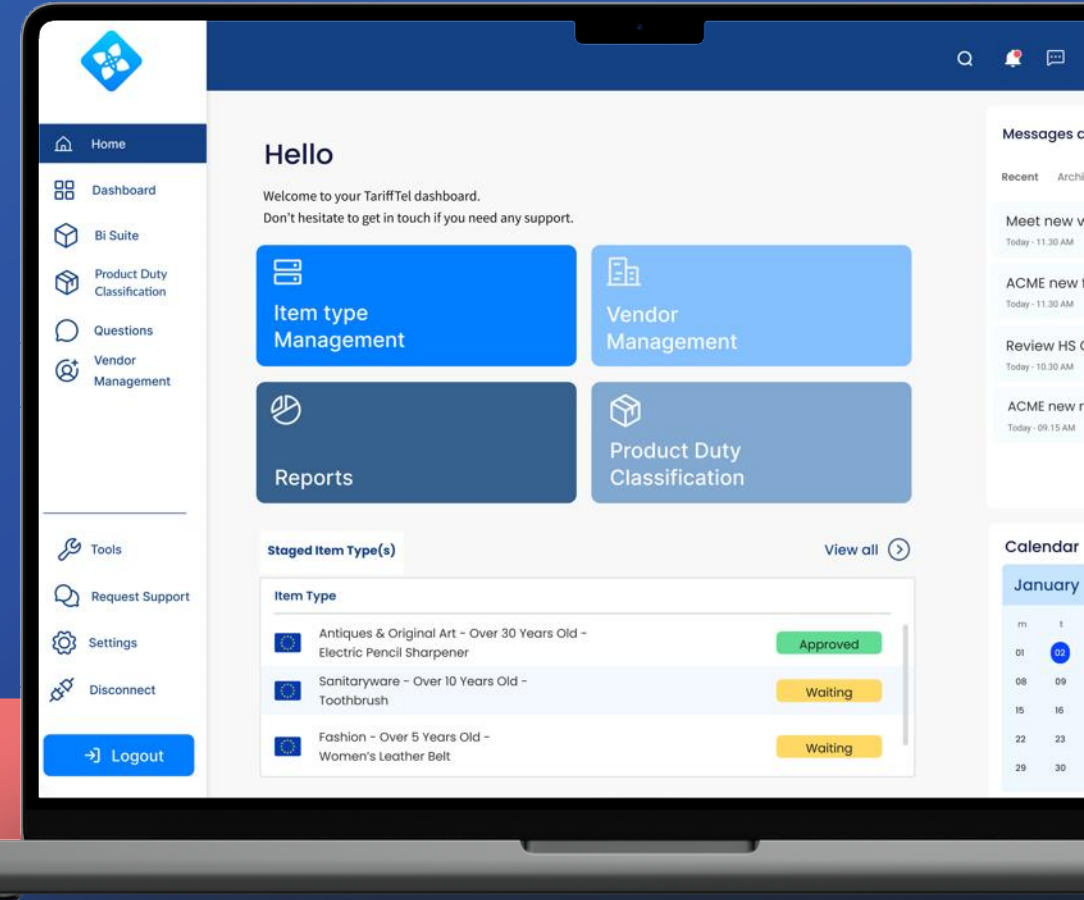
Duty rates across markets, FTA preferential rates flagged, EUDR / CBAM / regulatory triggers identified upfront.

4 Updates when the rules change

Tariff schedules, BTIs, Explanatory Notes. Everything in one place and up-to-date

Know your products, not tariffs.

99.9% accurate. Audit-ready. Expert-backed.



This week

Three takeaways from this webinar.

1

Pick one SKU range. Audit three codes.

Check three of your tariff codes using TTClassify's three free codes. If 1 is wrong, chances are there are others.

2

Check FTAs

If you're claiming preference, what evidence backs it up? Taking time to investigate can pay you back.

3

Check your documentation

In the event of an audit, internal or external, how would you explain how you arrived at your tariff code? Check your documentation and see if it holds up.

Try TTClassify for free? TTClassify gives you three classifications free. Worth checking codes today.

Thank you.

Questions?

Speaker

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Try TTClassify

3 classifications, free.

5 minutes to sign up.

[TTclassify.com](https://ttclassify.com)