Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On May 23, US President Trump posted to social media regarding stagnant trade negotiations with the European Union—proposing a 50% tariff on the collection of countries.

After approval on May 22, Ukraine and the EU will revert to pre-war tariff quotas on agricultural exports after June 5—when the current free trade agreement expires.

The European Commission (EC) released a new list of products that would be subject to counter-tariffs in the event that US-EU trade negotiations go south. This 218-page list of €95 billion worth of US goods will remain under scrutiny until July 14 (after the 90-day pause), or until the US and EC ink a mutual trade agreement.

Additionally, the EU and United Kingdom reached a trade deal which will prevent unnecessary border checks on agricultural products like meat and dairy under a food standards deal, among other agri-commodity, fishery, defense, and energy agreements.

Earlier this week, a major retailer announced price increases, specifically due to tariffs—

to which US President Trump responded directly via social media.

As of May 15, cargo transferred from a feeder vessel to a US-bound vessel after April 5, 2025, will ***not*** qualify for the in-transit tariff exemption, according to clarification from the US Customs and Border Protection (CBP).

Cargo that was loaded before April 5 and remains on the same vessel to the US will retain its eligibility for exemption, regardless of whether the vessel stops at foreign ports along the way. The key factor is that the cargo must not be offloaded and reloaded onto a different vessel after the deadline. In contrast, shipments that begin on feeder vessels—used in regional ports before cargo is moved to larger, US-bound carriers—lose exempt status if the transfer to the main vessel occurs after April 5. CBP has determined that the second vessel, for example, constitutes the final mode of transit, triggering the tariff obligation.

This publication contains all information available to Expana's team as of May 22. The tariff rundown tracks the weekly changes in tariff news, and how each social media announcement, interview, or press conference may affect global agri-commodity producers and trade partners. Keep reading for tariff-related news, commodity-by-commodity...

ALCOHOLIC BEVERAGES

by Ryan Gallagher

Bourbon whiskey, among other alcoholic beverages, was listed on the EC's re-released list of countermeasures on US goods—to be reinstated if a trade agreement is not reached.

On May 21, the CEO of a French cognac maker said that the European Union (EU) must soften its stance towards President Trump's trade demands, negotiate a deal to avoid tariffs, and protect European jobs, according to a Reuters article which cited the US-UK trade deal.

US buyers of foreign alcohol brands have been told they will pay higher prices, sources say. However, the costs of tariffs will be shared throughout the supply chain, said one Expana market reporter, while another said cost sharing is situation dependent.

It's not clear if other costs, for example around packaging, are being factored in. From April 2, the Trump administration added beer can imports to the previously implemented US 25% tariffs on foreign aluminum and steel.

On May 8, the EC approved €5 billion in export aid. The plan will get French wine and spirits to the US before the 90-day pause on US reciprocal tariffs is up.

COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher

Coffee: On May 20, one large US coffee roaster announced tariff-related price hikes as the baseline US 10% tariffs remain. Tariffs have provided an extra layer of uncertainty during record-high coffee prices. These factors created a market with thin physical trade, more speculative action on futures markets, and low levels of producer hedging. Some sources see tariffs as a short-term political weapon, while others think a US 10% tariff to be a permanent fixture—offsetting US income tax changes.

Cocoa: Uncertainty within the US cocoa industry also remains high, said sources, due to an upturn in cocoa futures as well as lingering questions around USMCA compliance. Some companies believed that if cocoa and derivatives are "substantially transformed"—cocoa made into chocolate—they'd be subject to the free trade agreement. However, this appears not the case in many instances, with the vast majority of raw material inputs in chocolate still coming from overseas. Additionally, cocoa futures are moving up as production forecasts in West Africa are unclear given the dry start to this year. With low physical trade and few producers hedged in the London or NY terminal markets, thin volumes of speculative longs and successive profit-taking have driven recent gains.

DAIRY

by Brittany Feyh, Courtney Shum

With minimal updates on trade relations, the US dairy industry continues to benefit from the 90-day tariff pause with China. Products such as whey permeate and sweet whey powders—commonly exported to China in large volumes—have seen a sharp decline in exports following China's retaliatory tariffs. This disruption created volatility in the market, forcing exporters to quickly seek alternative destinations.

Since the temporary pause in tariffs, exports of low-protein dairy powders have resumed, helping stabilize pricing across the sector. However, industry stakeholders remain cautious. Many stakeholders told Expana they are still wary of the US-China trade relationship and expect further uncertainty soon. In response, the industry continues to urge the Trump administration to extend the current tariff suspension or implement exemptions for a broader range of dairy products.

Meanwhile, US-UK trade negotiations have gained support from dairy professionals, who see new export opportunities—particularly in cheese and butter—as talks progress. The sector remains hopeful that a finalized agreement could open the door to expanded access and long-term growth of US exports into the UK market.

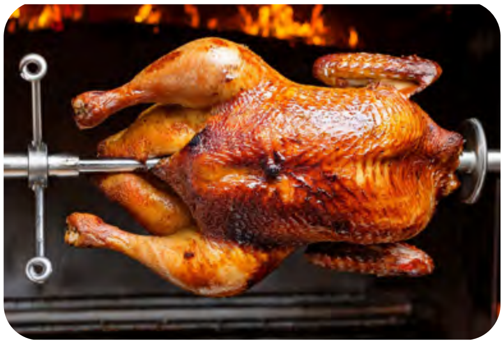
EGGS

by Allison Berry

Last week, Brazil confirmed its first case of HPAI on a commercial poultry farm, adding complexity to egg imports from the country into the United States. While Brazil has not been entirely restricted from exporting eggs to the US, shipments are prohibited from Rio Grande do Sul—the state currently experiencing the outbreak and a key hub for poultry production. As a result of potentially reduced export volumes, the US may look to alternative suppliers to meet import needs, though any shift in sourcing remains subject to fluctuating tariff rates.

POULTRY

by Matt Busardo



Domestic demand remains a key pillar of support for the US broiler industry, helping offset ongoing export challenges. A recent 90-day tariff reduction agreement between the US and China—effective May 12—has lowered China's poultry tariffs from 125% to 10%, potentially reopening limited export opportunities for products like chicken paws. However, the short-term nature of the deal introduces uncertainty.

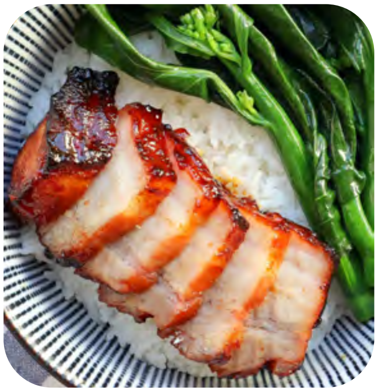
Meanwhile, Brazil's first confirmed case of HPAI in commercial poultry has led to widespread import suspensions from major buyers, including China and the EU. As Brazil is the world's top poultry exporter, the disruption may create openings for US suppliers, depending on how the outbreak evolves.

Despite these shifting trade dynamics, relatively high feed and input costs continue to pressure margins. Exporters are diversifying into other regions in Asia and the Middle East, but many players are hesitant to put too much product on the water to certain areas due to the ever-changing landscape.

The industry remains focused on balancing strong domestic fundamentals with an evolving global trade and supply future.

RED MEAT

by Mason Augustino, Emily Schlichtig, Bill Smith



Beef: The US and UK finalized a new trade agreement that keeps the existing 10% tariff on beef imports, originally imposed during the Trump administration. As part of the agreement, 13,000 metric tons (mt) of the US's 65,000 mt duty-free beef quota will be reserved for UK exports. Since the 2025 quota is already filled, this change will take effect in 2026. Once implemented, the shift will reduce duty-free quota access for other beef-exporting countries.

Pork: The US and China initiated a 90-day tariff rollback. US tariffs on Chinese goods dropped from 145% to 30%, and China lowered tariffs on major US agricultural products, including pork, from 125% to 10%. Despite the rollback, US pork continues to face a 57% effective tariff due to unresolved prior duties. Without a finalized agreement by August 12, tariffs will reset to 54% on Chinese goods and 34% on US exports, according to a White House executive order. However, this structural change offers limited practical relief.

SEAFOOD

by Joshua Bickert, Vivian Rosenbaum-Cottier

US Customs and Border Protection has clarified that cargo transferred from a feeder vessel to a US-bound vessel after April 5, 2025, will not qualify for the in-transit tariff exemption under the Reciprocal Tariff Executive Order. Only shipments that remain on the same vessel throughout their journey will retain exemption eligibility—a clarification that caught some market participants by surprise.

Transshipment plays a major role in global ocean freight, with an estimated 30 to 35% of all containerized shipments being transshipped from one vessel to another before reaching their final port destination.

Several groundfish industry stakeholders continue reporting a resurgence in orders from China following the reduction of tariffs to 30%. Meanwhile, prices for double frozen cod and haddock processed in China remain at record highs. This uptick in purchasing activity is enabling market participants to strategically rebuild their frozen groundfish inventories.

GRAINS

by Murphy Campbell

The tariff reductions and 90-day pause announced by the US and China were received positively by market players. However, China is not a significant buyer of US corn or wheat and is not expected to have much of an impact on demand. The market is currently focused on weather, planting progress, and crop conditions. Corn planting progress is strong, being above the five-year average which is pressuring corn prices.

FEED ADDITIVES

by Heather Doyle, Simon Duke

Ample supply and cheap soybean meal continue to suppress demand, particularly for threonine, lysine, and the limiting amino acids like valine and isoleucine—now seeing near-zero inclusion in many diets. Several medium to large buyers indicated they may not place additional orders through year-end. The only factor putting upward pressure on prices is freight, with ocean rates jumping \$2,000–\$4,000 this week due to a surge in bookings during the 90-day tariff window. This translates to an added \$0.10–\$0.20/kg—or 4 to 5 cents/lb—on landed cost.

Forward sellers appear focused on covering exposure amid volatile logistics, with steamship lines warning of continued blank sailings and growing port congestion. While some anticipate a rebound if corn prices drop further, most remain cautious unless broader ag export demand improves.

Last week, the European Parliament's International Trade Committee approved a draft regulation imposing a 50% increase in import duties on a range of agricultural products from Russia and Belarus, including animal feed. The duties will be applied to previously tax-exempt goods. The list also includes sugar, vinegar, and flour.

FRUIT & JUICES

by Holly Bianchi, Craig Elliot

Juice: The current US 30% tariff on Chinese goods provided relief to the apple juice industry in China, which would have faced serious demand erosion at the previous 145% duty, said sources.

Within the grape juice market, sources anticipate a possible increase in Argentinian export prices to the US. The situation in the EU juices market remains largely stable as the industry awaits a resolution.

Fruit: The European pineapple market has recorded a supply increase, according to industry reports, partly due to US import tariffs. Costa Rican pineapple exporters typically split evenly between the European and US markets but have recently been favoring Europe.

China's reduction of tariffs on US goods from 125% to 10% presents an opportunity for American fruit exporters to regain competitiveness in the Chinese market. This is particularly relevant for apples, cherries, and citrus fruits, which had previously faced steep tariffs that limited market share in China. For Michigan, a state known for its apple and cherry production, the tariff reductions could open short-term export opportunities. However, the temporary nature of this agreement and existing competition from Chile and New Zealand mean that US exporters still face challenges in capitalizing on this window.

SUGAR & SWEETENERS

by Andraia Torsiello

Tariffs for Mexico and Canada remain unchanged, and sugar continues to be excluded from these duties under USMCA. President Trump's 10% baseline tariff is still in play. While there is a 90-day reciprocal tariff pause, it is past the halfway mark until July 9. Meanwhile, market participants are closely monitoring trade relations with China, as most sweeteners like dextrose are imported as domestic production capacity is limited. Companies importing goods from China are converting warehouses into facilities that are exempt from the tariffs until they are ready to sell the product. Market participants state that the US has over 1,500 bonded warehouses where imported goods can be held without immediate payment of customs duties like the 30% tariff on shipments from China.

NUTS

by Nick Moss, Jara Zicha

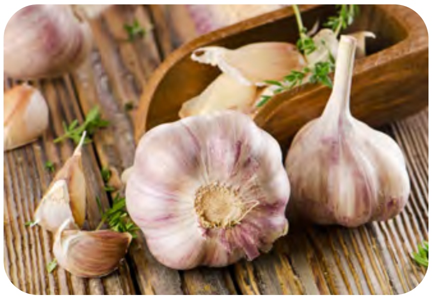
Impactful changes regarding tariffs were minimal again this week.

While the current plan for EU countermeasures was limited to almonds, the European Commission recently released another list of goods to be considered for new tariffs. While it is not finalized, the new list contains virtually all US-origin nuts. This includes products such as walnuts, pistachios, pecans, and peanuts where the US is a major exporter.

Sluggish cashew demand from the US continues to weigh on prices. Uncertainty over the US-Vietnam tariff situation undermines buying appetite from many US importers. The purchases that have occurred have mainly been for June and July shipments. Forward contracts have reportedly been limited amid the uncertainty.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Craig Elliot



Vegetables: The 90-day tariff reductions between the US and China, effective May 14, 2025, could lead to reduced prices for certain imported vegetables, such as garlic, ginger, and processed mushrooms, sources shared. This reduction may benefit US consumers and food service providers who rely on these imports. However, the actual impact on prices will depend on various factors, including shipping costs and domestic supply levels. EU ministers responded negatively to the recently announced US-UK trade deal—aimed at reducing tariffs and improving agricultural market access—stating that if EU were offered a similar deal the US should anticipate countermeasures. Although the UK received some concessions as part of the deal, its goods remain subject to a 10% 'universal' tariff, which EU ministers' comments suggested would be unsatisfactory.

Plant Proteins: Prices for pea protein have increased m-o-m, while soy protein prices are mostly steady. Anti-dumping tariffs placed on China in August are beginning to impact the market, with some Chinese pea protein concentrate suppliers facing duties as high as 355%. Companies importing goods from China are converting warehouses into facilities that are exempt from the tariffs until they are ready to sell the product.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

The CBOT soybean and soybean oil futures prices declined by 1.3% w-o-w and by 3.1% w-o-w, respectively on May 20. Daily price settlements have been mixed over the week as despite the 90-day pause in the US-China trade tension, market players remain cautious due to uncertainty about a more permanent trade agreement. Although the USDA forecasts new crop soybean exports at 1.815 billion bushels, market participants believe this target may be difficult to meet if Chinese tariffs persist.

METALS & ORES

by Artem Segen

For the aluminum and tinplate packaging segment, US tariffs create both challenges and industry-protective advantages. Aluminum and steel import tariffs remain at 25%. This covers a wide range of products, including coils, cans, and tinplate used in the production of canned packaging, and lids.

For US packaging manufacturers, this means a twofold situation: The tariff protection limits the competitive pressure from cheap imports and allows increased domestic production. This is evidenced by manufacturers' new orders for aluminum and nonferrous metal products, which in March showed a 10% y-o-y increase, the fastest growth since July 2022. On the other hand, persistent tariffs on semi-finished products (aluminum foil, coated steel, so-called tinplate) complicate the work of processors whose capacity depends on specific grades of metal, which are mainly produced outside the US. So, the cost of production and the price of packaging products are rising due to raw material prices. For example, the price of aluminum foil in the US rose by 3% y-o-y in April, while in the EU prices are 7% lower y-o-y. Thus, the current tariff regime retains the effect of protecting US production, but at the same time limits industry flexibility and increases packaging costs.

PLASTICS

by Andrew Woods

Market drivers remain relatively unchanged compared to the previous week. The developments in trade between the US and China were again the main factor behind the global plastics industry regarding tariffs, namely the 90-day pause and the slashing of tariffs by each country.

The loosened trade environment will enable a greater flow of plastics, especially polyethylene and polypropylene, between the two economies according to market sources.

During the week, however, China placed a 75% anti-dumping on certain types of engineering plastics from the US and Taiwan, among other countries. Also, the plastics market awaits EU moves to counter US tariffs.

PULP, PAPER & WOOD

by Greg Potter

Sources report that Brazilian eucalyptus hardwood kraft (BHK) producers are seeing buyers in the US continue hold off on purchases in the hopes that a deal between the US and Brazil will materialize shortly. There has been no official word from either the US or Brazil on movement on any trade agreements so far, but both have stated that they will prioritize negotiations over retaliation.

US pulp producers are finding that Chinese buyers are holding off on purchases of SBSK pulp due to concerns about downstream demand due to continued tariffs according to sources. China was the largest purchaser of exported US SBSK in 2024, but it reduced the volume purchased by nearly 50% from 2023 as domestic paper demand dropped and mills in began closing.

CLOSING

On April 2, the US imposed a “reciprocal tariff” plan on trading partners, Expana reported, which was then paused for a period of 90 days. As May 2025 comes to a close and July draws nearer, market participants wait to hear about further trade deals during the reciprocal tariff pause.

Namely, a US-EU trade deal hasn’t been reached yet. However, US negotiations with EC officials could sway Europeans to adopt a harder line with Chinese trade, according to multiple sources that cited similar standards in the US-UK trade deal.

Last month, US Treasury Secretary Scott Bessent said that countries seeking to improve relations with China would be “cutting [their] own throat” and called on the US and its allies to “approach China as a group.".

Tariffs still on the table: US Section 301 tariffs can climb to 100% for some imports. The 90-day pause(s) with China and all other US trading partners does not include sector-specific tariffs on cars, or on steel and aluminum. Plus, the US trade officials may still implement more sector-specific tariffs on pharmaceuticals, for example. The White House trade team has been consistent with reiterating the US 10% tariff “floor” as even the US-UK trade agreement still involves this 10% tariff.

Meanwhile, companies importing goods into the US from China are trying short-term tariff hacking methods: Converting warehouses to “bonded” facilities exempt from US tariffs. There are more than 1,700 bonded warehouses in the US. Imported goods can be held in these facilities without immediate payment of customs duties. However, it’s not clear when exiting bonded warehouses, if imported goods are subject to “current” or “past” tariff rates.

Happy Memorial Day Weekend to those who celebrate! This weekend, the US honors and mourns military personnel who’ve given their lives for American freedom.

Click to read last week’s report:

Tariff Talks 2025: Expana's Weekly Rundown #9

And feel free to share this report with colleagues and friends!

The information contained within this report was updated as of May 22. Real-time updates are available within Expana's suite of online platforms.