Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On May 30, the United States Court of Appeals sided with President Trump's trade agenda. Tariffs, as they were, will stay. The federal appeals court ordered plaintiffs in the cases to respond by June 5 and Trump's administration by June 9.

Days prior, the US Court of International Trade (USCIT) ruled that US tariffs imposed under the International Emergency Economic Powers Act (IEEPA) fall outside the authority which that executive law invokes.

"This court does not read the words 'regulate . . . importation' in IEEPA as authorizing the President to impose whatever tariff rates he deems desirable. Indeed, such a reading would create an unconstitutional delegation of power..." read the court filing. "The court holds for the foregoing reasons that IEEPA does not authorize any of the Worldwide, Retaliatory, or Trafficking Tariff Orders..."

Immediately, the US Department of Justice (DOJ) appealed the court case. The case may make its way to the US Supreme Court, sources speculate. For now, US Customs and Border Protection (CBP) will continue collecting all IEEPA duties.

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Thus far, reciprocal tariffs and fentanyl-related tariffs from Trump's trade team have been imposed quickly under IEEPA—citing that tariffs are necessary to address a national emergency.

However, the IEEPA was *not* used to invoke all US tariffs under the Trump administration. So, the court ruling does *not* cover the Section 301 tariffs that can go up to 100% and were first imposed on some Chinese goods in the first Trump administration to address unfair trade practices. Additionally, the new court ruling does not apply to sector-specific tariffs like the 25% on steel and aluminum, or on foreign automobiles.

Since last week, US President Trump's proposed 50% tariff on the European Union (EU) was put off so trade negotiations could move along. However, there has not been an update regarding a US-EU trade deal regarding reciprocal tariffs.

This publication contains information available to Expana's team as of May 29. 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...

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ALCOHOLIC BEVERAGES

by Ryan Gallagher

A New York alcohol importer was one of the plaintiffs in the USCIT case against IEEPA tariffs.

“We import wines and spirits that cannot be replicated anywhere else... These new taxes—imposed without Congressional approval—jeopardize not only our business, but the livelihoods of the family farmers we represent...” read that company’s statement.

While US-EU trade talks are reportedly ongoing, bourbon whiskey is among alcoholic beverages on the European Commission's (EC) list of countermeasures against US goods—to be implemented if an agreement is not reached.

Conversely, the CEO of a French cognac maker said the EU must soften its stance towards Trump's trade demands, negotiate a deal, and protect European jobs, according to an article citing the US-UK deal.

US buyers of foreign alcohol 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.

From April 2, the Trump administration added beer can imports to the US 25% tariffs on foreign aluminum and steel.

On May 8, the EC approved €5 billion in export aid to get French wine and spirits to the US.

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. However, trade uncertainty persists as the price of coffee futures retreated slightly. Roasters have been covered, and thin physical trade remains a factor. However, certified stocks are increasing. It's still unclear if reciprocal tariffs will disappear after being used as short-term political weapon, or if a US 10% tariff will continue as a permanent fixture.

Cocoa: Uncertainty within the US cocoa industry also remains high, said sources, due to lingering questions around USMCA compliance. Some companies believed that if cocoa and derivatives are “substantially transformed”—cocoa made into chocolate—they are subject to the free trade agreement. However, this appears not to be the case in many instances, with the vast majority of raw material inputs in chocolate still coming from overseas. However, this uncertainty may dissipate if court rulings against IEEPA tariffs are upheld. Additionally, cocoa futures are moving down as production forecasts in West Africa are improving. Physical trade is still low, but speculators have retreated from long positions.

DAIRY

by Brittany Feyh, Courtney Shum

Focus from the dairy industry remains centered around China, as US exporters continue working urgently to confirm product shipments and delivery schedules before the current 90-day trade pause expires in August. This temporary reprieve, part of a broader effort to de-escalate trade tensions, has created a short-term opportunity for renewed dairy trade activity, but the uncertainty surrounding the end of the pause has made many exporters cautious. As a result, industry leaders continue to urge the administration to continue negotiations or provide an exemption list including various dairy products to keep trade flows open with China and secure long-term market access.

One of the most notable developments since trade resumed with China is the pricing rebound for whey permeate and other low protein whey products, which are essential for livestock feed.

Meanwhile, trade agreement conversations between the US and the UK continue, which could provide additional opportunities for dairy exporters. The UK remains one of the top importers of cheese, which largely comes from other European counties. With US products remaining at a discount to European products, a refreshed trade agreement could possibly provide an additional destination for US cheese.

EGGS

by Allison Berry

US shell egg inventories have increased for the fourth consecutive week and now sit 12.5% above year-ago levels. Layers impacted by earlier HPAI outbreaks are returning to production, steadily rebuilding domestic supply without the need for supplemental imports. At the same time, retail and foodservice demand remains sluggish—typical for summer months when lighter meals and reduced baking limit egg usage.

As a result, the market has softened, with quoted breaking stock values dropping over $4.00 from their February peak. With tariffs in play, imported eggs, once needed to fill domestic gaps, are now commonly priced above domestic offerings. Given this shift in the supply-demand balance, US buyers are not as reliant on imported shell eggs, and tariffs have drawn little concern from market participants.

POULTRY

by Matt Busardo

The global trade landscape for US broilers has shifted modestly, though uncertainty remains high. A 90-day tariff reduction agreement between the US and China, effective May 12, lowered China's tariffs on US poultry from 125% to 10%. This opens a short-term window for exports—particularly for chicken paws—but the limited duration and ongoing logistical challenges have tempered expectations.

Meanwhile, Brazil's first confirmed case of highly pathogenic avian influenza (HPAI) in commercial poultry has led to immediate import suspensions from major buyers including China and the EU. As the world's largest poultry exporter, any prolonged disruption from Brazil could create opportunities for US suppliers, especially if domestic flocks remain HPAI-free.

Despite these developments, elevated feed and input costs continue to pressure margins. Exporters are cautiously exploring alternative markets in Asia and the Middle East but concerns around payment reliability and regulatory environments persist.

In the near term, the US broiler industry remains grounded in strong domestic demand while selectively pursuing international growth in a fluid and complex trade environment.

RED MEAT

by Mason Augustino, Junie Lin

On May 28, the USCIT struck down the "Liberation Day" tariffs imposed under the International Emergency Economic Powers Act, ruling Trump exceeded his authority. The White House has ten days to roll them back unless an appeal succeeds. Tariffs on beef, pork, lamb, and veal may remain unaffected, as they were issued under separate trade laws, though more clarification is needed about the injunction. As Reuters noted, "The court was not asked to address some industry-specific tariffs Trump has issued... using a different statute."

Beef: US beef plant approvals for export to China dropped to 239 in May, with over 398 facilities still awaiting renewal in China's CIFER system. This bottleneck continues to limit export flow despite China's tariff cut from 147% to 32%.

Pork: Under a 90-day US-China tariff rollback, US tariffs on Chinese goods dropped from 145% to 30%, while China lowered pork tariffs from 125% to 10%. However, unresolved prior duties keep the effective US pork tariff at 57%. Without a final deal by August 12, tariffs will reset to 54% on Chinese goods and 34% on US exports, according to White House officials.

SEAFOOD

by Vivian Rosenbaum-Cottier, Liz Cuozzo

Following the reduction of import tariffs on Chinese goods to 30%, the continuous upward pricing pressure on double frozen groundfish — processed in China and reimported into the US — has eased, with periods of price stabilization observed. Industry stakeholders are closely monitoring imminent developments regarding the exclusion of haddock and flounder from Section 301 tariffs, which is set to expire on May 31, 2025. Should the exclusion not be extended, an additional 25% tariff could apply to both species, raising the total duty to 55% and increasing overall import costs.

US importers are reporting renewed pressure on freight costs, fueled by a growing backlog of containers sitting idle in China. With fewer vessels departing and product not shipping on schedule, space is tightening, and rates continue to rise. This logistics bottleneck is adding strain to an already uncertain supply chain environment—one further complicated by looming tariff increases. As importers try to navigate both delayed arrivals and elevated transportation expenses, the added uncertainty around trade policy is forcing many to reevaluate inventory strategies and cost expectations for the months ahead.

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, above the five-year average, which is pressuring corn prices.

FEED ADDITIVES

by Heather McGuire Doyle

Between trade uncertainty, shifting feed economics, and classification challenges, feed additive buyers remain cautious and sidelined. Even with the temporary reduction of reciprocal tariffs, feed additive tax implementation remains complex, and product classification plays a significant role in determining price impact.

Many feed additives and premixes include carriers or stabilizers that change how they are coded and taxed. Pure biotin is classified under HS Chapter 29. It is exempt from reciprocal tariffs, while biotin 2%, a diluted feed-grade version, falls under HS Chapter 23 and is not exempt. Similarly, depending on how vitamin D3 is classified, tariffs range from 10% to 56%. While this is down from over 170%, it still carries significant duties.

Market sentiment for most vitamins remains weak globally. Chinese prices for D-Calpan, vitamin B1, and vitamin B3 declined in the traders' market. In Europe, prices for vitamins A, E, D3, B3, and B12 were lower amid muted demand and hand-to-mouth buying activity. All these products are imported in the US from China and Europe. Still, US spot prices are flat as buyers digest existing warehouse inventory and hope Europe and Asia's lower prices will be reflected in the US market before they need to rebuild inventories.

FRUIT & JUICES

by Craig Elliot

Juice: The current situation for apple juice remains unchanged. The 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.

With the validity of the US tariffs being called into question by the USCIT, following its ruling on May 29 that Trump lacks the authority to impose the regime, uncertainty over the outlook for global trade persists. The situation in the EU juices market remains largely stable as the industry awaits a resolution.

Fruit: US apple producers and exporters are contending with tight margins due to rising production costs. In addition, access to international markets has become especially challenging in the face of US tariffs. Growers in Washington have found trade dynamics with export markets such as India, Canada, and Mexico to be increasingly unstable, at a time when high supply in the US is adding downward pressure to wholesale prices.

SUGAR & SWEETENERS

by Andraia Torsiello

Duties placed on Mexico and Canada are still place, and sugar remains excluded from these tariffs under the terms of the USMCA. President Trump's 10% baseline tariff on all sugar imports is still in play. While there is still a 90-day reciprocal tariff pause, it is past the halfway mark until July 9. Market participants continue to closely monitor trade relations with China, as sweeteners like dextrose are imported as domestic production capacity is limited.

NUTS

by Nick Moss, Jara Zicha

European buyers who had been more active in the almond market to obtain product ahead of the December 1 EC tariff have slowed slightly due to more positive outlooks for 2025 production. There have yet to be any significant impacts from last week's EC announcement considering virtually all other US-origin nuts for new tariffs. Walnuts, pecans and pistachios all remain in tight supply situations that are said to override tariff concerns for the time being. Peanut demand is reported to be weak amid ample supplies from multiple origins – with prices from the US already being higher than others; US exports have been unattractive to buyers.

The court decision of May 28 provides some optimism in the cashew market, but it is too soon to say if there will be meaningful impacts. US buyers continue to be hesitant when engaging with Vietnamese sellers. With prices starting to slip, sources expect this hesitancy to continue until there is more certainty regarding the US tariffs on Vietnam.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Craig Elliot

Vegetables: From May 14, a 90-day, US-China tariff reduction agreement could lower prices for imported vegetables. This may benefit US consumers and food service providers who depend on imports. However, the extent of price changes will also be influenced by factors like shipping costs and domestic supply levels.

US-EU trade negotiations are ongoing, with Trump delaying a 50% tariff on EU imports. The May 29 USCIT ruling says Trump does not have the authority to impose his tariff regime. While there have been no major tariff-related developments in the EU vegetable sector, the significant uncertainty around global trade persists.

Meanwhile, US-Canada trade tensions have spurred the Canadian government to encourage agricultural self-sufficiency, with a federal strategy providing financial support to farmers. Roughly 50% of vegetables and 75% of fruits in Canadian supermarkets are imported, primarily from the US. Some provinces have removed US products from shelves.

Plant Proteins: Prices for pea protein have increased m-o-m, while soy protein prices are mostly steady. Anti-dumping tariffs were placed on pea protein concentrate imports from China last August, with some suppliers facing duties as high as 355%. As market participants look for alternatives sourcing options, supply in storage is thinning in the US.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

Market sources report that despite a large South American soybean crop this season, global supply conditions remain tight, largely due to China–US trade tensions. While Brazil has already sold nearly 60% of its 2024/25 crop, China still needs to purchase significant volumes and is likely to source some from the US to meet its demands, despite ongoing tariffs, according to industry players. However, Brazilian soybeans remain competitive due to a recently completed strong harvest and lower prices; especially as the US faces a smaller planted area, unfavorable weather, and strong domestic crushing.

The tight supply situation in the soybean and soybean oil markets may prompt buyers, including India, to turn to alternative oils such as palm oil, which in recent months has regained its position as the price floor in the vegetable oil complex.

METALS & ORES

by Artem Segen

Tariffs on aluminum imports to the US, particularly from Canada, are encouraging producers to look for new markets. Companies from Canada have started to consider entering the European market. Market players are concerned about the possible increase in supplies from Canada, as Canadian aluminum is a high-quality product and is likely to be competitively priced. At the same time, it is worth noting that aluminum from Canada has been supplied to European countries in the past, but the threat of a significant increase in supply is high. In 2024, the share of aluminum and articles thereof shipped to Europe was about 2%, while 90% of aluminum produced in Canada was shipped to the US. Thus, the potential for aluminum from Canada to be diverted to the European market is high.

A major aluminum trader that declared bankruptcy in Canada and the US was one prominent example of the impact of tariffs. The company predominantly supplied Canadian aluminum. Tariffs on Chinese aluminum of up to 145% imposed in April only made things worse for the company, which had been buying metal from China and other countries.

PLASTICS

by Andrew Woods

Uncertainty surrounding tariffs continues to negatively impact global demand, with manufacturing levels also falling in the US.

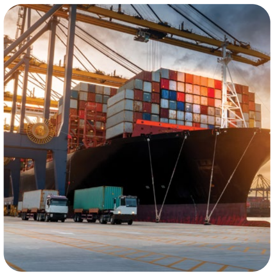
However, in the EU, manufacturing rose in Q1 2025, with sources noting an uptick in demand as summer approaches despite US threats to impose 50% tariffs on EU goods. More recently, the decision of a US trade court to block the Trump administration's targets added some bullish sentiment to global plastics markets and tariff-related demand concerns abated.

PULP, PAPER & WOOD

by Greg Potter

Industry sources report that uncertainty about the looming tariff deadline in early July continues to impact behavior in the market with buyers basing trades on their expectations that trade deals will be completed with certain countries by the end of the deadline. Summer is traditionally a time when production of paper products, especially corrugated boxes, ramps up due to higher restaurant traffic, agricultural production, and manufacturing rates. Many in the industry expect that a baseline 10% tariff rate will persist through Trump's term in office, though one source did think that judicial intervention would necessitate a final ruling by the US Supreme Court at some point with ambiguity about how they may rule.

CLOSING



Since April 2, the US imposed a "reciprocal tariff" plan on trading partners, Expana reported. While the 90-day pause is still in effect and the US 10% tariff remains, uncertainty has compounded with the USCIT ruling.

With tariffs a target in America's judicial system and July drawing nearer, market participants wait to hear about further trade deals and the legality behind tariffs implemented using IEEPA.

Since 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).

In addition to the US 10% "baseline" tariff, others still on the table include: 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.

Click to read last week's report:

Tariff Talks 2025: Expana's Weekly Rundown #10

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Looking forward, nothing is certain. However back at the end of 2024, a global recession was predicted for spring 2025, according to Expana's forecasting team. Click to read more about what's to come in global commodity markets.

The information contained within this report was updated as of May 29. Real-time updates are available within Expana's suite of online platforms.

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