Expana

Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

US President Trump and his administration's leaders are considering a de-escalation of the trade dispute with China—potentially slashing tariffs, per several reports.

"No one thinks the current status quo is sustainable," said US Treasury Secretary Scott Bessent as quoted by CNBC.

Despite this consolation, tariffs between the two largest economies on Earth equate to a mutual embargo. All other US trading partners are subject to the 10% tariff "floor."

Uncertainty lingers across commodities markets as reciprocal tariffs are paused till July and trade negotiations with leaders from around the world are ongoing. Initially, there was a mad dash to trade, as no one was sure what would be on the other side of the 90-day pause. However, that ship has sailed (quite literally) for some products with longer ocean transit routes.

While the situation is market and region dependent, many industry participants are opting for a "wait and see" approach by sourcing exactly the products they need for the time being.

The Trump administration is investigating imports of commodities like copper, timber, lumber, pharmaceuticals, and technology like semiconductors for potential industry-specific tariffs.

And US 25% tariffs still exist for steel and aluminum imports, for automobiles, and for countries buying oil from Venezuela.

This publication contains all information available to Expana's team as of April 24. This 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...

BEVERAGES (ALCOHOLIC)

by Ryan Gallagher

- US buyers sourcing beer, spirits, and wines from foreign lands might not have much more time to receive order placed during times of 10% "baseline" tariffs, as supply chain length differs for each region and market. Even now, US buyers of foreign alcohol brands are being hit with higher prices, sources say. It's not clear who will pay these increased costs, nor is it clear if other associated costs, for example around packaging, have been taken into account.
- On April 2, the Trump administration added beer can imports to the previously implemented 25% US aluminum and steel tariffs.
- On March 4, the LCBO, a government-owned liquor wholesaler in Ontario removed all US alcoholic beverage products from shelves and their online store. Since then, "Buy Canadian" has dotted headlines from the Northern neighbor's media outlets, and sources say nationalistic pride could affect consumer behavior. In 2024, US spirits exports went up nearly 10% to $2.4 billion, said DISCUS.

COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher

- **Coffee:** Market confusion persists during conditions that involve a US 10% tariff trade "floor" that has the ability to drive up prices and dampen demand. It is not clear if the 90-day reciprocal tariff pause will be enough time for US coffee buyers to source from distant origins such as Indonesia, for example. Buyers are paying high contract prices now rather than betting trade conditions improve, sources say. Leaders from the National Coffee Association (NCA) filed an application for tariff exemption, and said lobbying was "well received."
- **Cocoa:** While there has been news of chocolate producers' investment in North American facilities, the biggest chocolate maker Barry Callebaut reported declining demand. Meanwhile, Q1 2025 global cocoa grindings dropped 2.8%—in line with Expana's forecast. However, some market participants anticipated a greater drop. Shortly after, there was a price rally in cocoa futures. Furthermore, tariff uncertainty may have caused producers to build up cocoa product stockpiles, sources said.

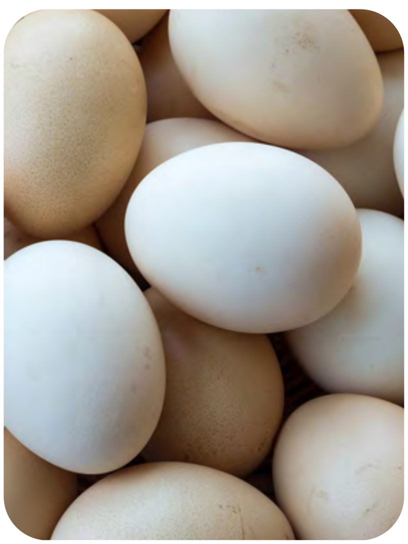
DAIRY

by Brittany Feyh

- With the 90-day tariff pause, dairy markets saw an uptick in trading and international interest as exporters scrambled to secure products for delivery before tariffs resume.
- Retaliatory tariffs from China remain the concern for many US dairy producers, especially on the whey market side. China is the largest importer of low protein whey powders and is a significant player in high protein whey powders, with 40% of total whey exports going to China. A drop in Chinese demand could disrupt whey powders prices, industry players have said.
- Global demand for whey powders remains strong. China has showed increased interest in filling demand from Oceania and Europe, while the US has shifted its focus to Central America and Southeast Asia to export product and keep supply and demand balanced.
- The USMCA continues to include dairy, offering free trade between Mexico and Canada. However, Mexican importers have shared their hesitancy with the US market as the tariff situation continues to evolve rapidly.

EGGS

by Allison Berry



- Canada, the United States' largest trading partner for shell eggs and egg products by both volume and value, continues to import substantial quantities from the US. Canadian suppliers are still recovering from losses related to avian influenza and are supplementing domestic supply with US product. Notably, this cross-border trade has remained stable and appears unaffected by broader trade tensions.
- Feed represents approximately 70% of total egg production costs, with soybean meal serving as a primary component due to its high protein content. As Chinese tariffs increase, Brazilian soybeans have emerged as a more cost-effective alternative for Chinese buyers. The US exports nearly 25% of its soybean production to China. A significant reduction in this trade could lead to a domestic surplus, exerting downward pressure on soybean prices.
- Wholesale spot market prices have largely stabilized, aided by steady replenishment orders from retailers that have exceeded expectations. This demand coincides with persistently low production levels, a result of delayed barn repopulations following outbreaks of avian influenza and scheduled molting periods. While overall market conditions appear steady, pricing trends vary by pack type: Retail-ready packs remain supportive, whereas plant-grade loose eggs continue to trade at a discount.

POULTRY

by Elsi Rodewald

- The evolving tariff situation gives rise to uncertainty in the chicken market. Currently, quoted export lines are rated steady to full steady, but sellers note that there's more caution in advancing asking prices due to tariff concerns. This is evidenced by a sideways price trend for the export items during a season in which values historically rise.
- With that said, production of export legs, drums, and leg quarters are well cleared due to domestic demand and a continued call from many of the less impacted export destinations. More than immediate impacts, there looms a concern of what may occur should domestic buyers cease to absorb as much production as they have been. However, public freezer inventories are below average, which does lend a sense of security to processors.
- The item most likely to cause sellers some issues is chicken paws. China is the primary destination and has been limiting volumes through retaliatory tariffs. Furthermore, reports suggest that Hong Kong is also being pushed to enact tariffs. This would increase pressure on the US as some production is moved to China using Hong Kong as an intermediary. However, many participants have already been looking for alternatives, with some exploring domestic opportunities.

RED MEAT

by Mason Augustino, Emily Schlichtig, Junie Lin, Augusto Eto

- **Beef:** American beef is sun setting from Chinese menus, as Beijing's 125% retaliatory tariffs on top of the existing 22% have made it prohibitively expensive. Licenses for 388 US beef exporters remain unrenewed. Chinese buyers are turning to Australian grain-fed beef to fill the premium niche once led by the US, while the US redirects volumes to Japan and Taiwan. Boneless beef imports into the US remain steady, showing strong domestic demand despite shrinking access to China. Meanwhile, China and Brazil officials are discussing expanded beef trade to fill the gap left by the US.
- **Pork:** Total US tariffs on Chinese imports now reach 245%, including a 125% reciprocal tariff, a 20% fentanyl-related penalty, and 7.5—100% under Section 301. President Trump stated that tariffs may become "substantially lower." China's 125% retaliatory tariff has put downward pressure on the US pork feet, bungs, and stomach market—items historically exported to China. Mexico and Canada remain exempt under USMCA. US pork exports to China remain limited amid ongoing retaliation.
- **Lamb & Veal:** Canadian lamb and veal are exempt under USMCA. Dutch veal and Australian/New Zealand lamb is subject to a 10% tariff.

SEAFOOD

by Angel Rubio, Josh Bickert, Vivian Rosenbaum-Cottier

- The tilapia market faces a prohibitive 245% tariff, while pangasius carries a 10% duty. Despite these measures, tilapia prices have been slow to rise due to ample inventories accumulated by US importers. This week saw modest price increases as buffer stocks depleted, and with tariffs driving up prices. The long-term outlook remains precarious due to the lack of alternative sources for Chinese tilapia volumes. Pangasius prices are driven by supply constraints, with tariffs amplifying firm market conditions.
- Selective price increases were observed across specific shrimp items, though broader movement remained measured. Sellers face challenges balancing elevated replacement costs against a domestic market still adjusting to tariff changes. The financial impact includes collateral requirements for bonds, further pressuring margins. Chinese competition for Ecuadorian production adds complexity as processors report strong forward commitments.
- Stakeholders relying on double frozen imports from China face challenging market conditions due to the 145% tariff and weekly firming prices. Procurement planning difficulties are widely reported, with discussions focused on diversification strategies for processing countries, demand elasticity, and alternative species.
- The imported value-added surimi market, traditionally steady, saw unusual price firming in April due to increased tariffs on imports from China.

GRAINS

by Murphy Campbell

- There have been no new tariff announcements that have had a direct impact on US grain prices, market players say. The market is focusing on planting progress in the US for corn and spring wheat and the weather. Planting progress is going at a good rate compared to the five-year average.
- The US announced last week the port fees for Chinese made ships and Chinese operators that would be implemented in October 2025. However, ships that arrive to US ports empty to be loaded will be exempt from the fees. Market players say this is a huge relief for US grain exporters as any fees would have decreased the competitiveness of US grains on the world export market. US grains are shipped in dry bulk carriers and these ships typically arrive empty to pick up US grains.

FEED ADDITIVES

by Heather Doyle, Simon Duke

- In the US, certain vitamins from China — including D3, B12 1%, and biotin 2% — are now subject to cumulative tariffs of up to 170%, depending on HS code classification. One buyer cancelled three choline chloride shipments this week after learning it carried a 145% duty.
- Amino acid markets are steadier, with lysine, threonine, and methionine prices mostly flat. But tariff exposure is creating a widening gap between older, pre-tariff stock, and new offers. A recent trader lysine deal at $2.12/kg DDP Midwest (previous activity: $1.83-1.87/kg) reflected product ordered in January, well ahead of the tariff surge — a move not every importer could make.
- With the July 9 tariff pause expiration on the horizon and freight costs climbing, more buyers are watching closely — not just for price movement, but for regulatory clarity.
- Note: The US feed additive assessments reflect Delivered Duty Paid (DDP) values, meaning they include applicable import duties and tariffs. However, price ranges are based on actual market activity, including concluded trades, bids, and offers. Tariff-related costs may or may not be factored into the deal, depending on timing, delivery terms, and inventory status. Replacement costs are rising, even if the assessed price range stays steady.

FRUIT & JUICES

by Harry Campbell, Holly Bianchi

- **Juices:** The tariff situation for juice markets remains largely unchanged. With the current tariffs in place apple juice from Chinese apple juice is very expensive, the US historically imports around two-thirds of its apple juice consumption from China. US buyers are exploring alternatives like Turkey, which faces only a 10% tariff, though this won't offset the loss of Chinese supply.

  Other juice markets were quiet in regard to tariffs this week. The 10% US tariff on Brazilian exports is likely to impact the orange juice market. Around 70% of US orange juice is sourced from Brazil.
- **Fruit:** Fruit trade within the USMCA region—comprising the United States, Mexico, and Canada is currently unaffected by recent global tariffs. Under the terms of the United States-Mexico-Canada Agreement (USMCA), qualifying fruit products continue to move tariff-free between the three countries. However, outside the region the 10% baseline tariff continues to impact all imports, for example bananas which are mostly imported from South America. Tariff cuts effective March 31 have increased Vietnamese demand for US fruit, especially cherries and raisins, driven by improved trade terms and strong perceptions of US quality. Further growth is expected as Vietnam expands trade agreements.

SUGAR & SWEETENERS

by Andraia Torsiello

- There is still uncertainty in the sugar market as import tariffs loom. Mexico is the largest sugar trading partner to the US, and product from here and Canada remains USMCA compliant. However, US President Trump's 10% tariff on all US sugar imports is still in play, but under a 90-day pause. The tariff delay is viewed by market participants as an opportunity to import more product, if it can clear customs prior to the expiration. Some sources state that there has been an uptick in domestic demand to secure product before the tariffs take effect. Also, US President Trump signaled a potential turn on the trade war with China, stating that high tariffs on the country will come down. Tariffs on China will likely impact prices for sweeteners like dextrose, according to market players, since most of the US supply is imported from China.

NUTS

by Nick Moss, Jara Zicha

- It has been another relatively quiet week in tariff developments in the nut markets.
- The continued back and forth between the US and China has not changed the perception that Chinese buying from US sources has been minimal at best.
- European demand is reported to be bouncing back after the announcement that the EU will wait to implement tariffs on US almonds until December 1. The Euro strengthening against the dollar has been mentioned another supportive factor.
- The cashew market continues to be quiet as US buyers exercise cautiousness. The 90-day delay on the US imposing at 46% tariff on Vietnamese imports has seemingly provided only slight relief, with US buying continuing to be quite limited.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Harry Campbell

- **Plant Proteins:** The 100% tariff China placed on Canadian peas remains in effect. Additionally, China has raised tariffs on US imports from 84% to 125%. On Tuesday, President Trump stated that tariffs on Chinese goods will not be reduced to zero but will come down substantially. According to market participants, China began to lose access to the US market when anti-dumping tariffs of up to 355% were placed on Chinese pea protein concentrate in August. Sources expect China to reroute products to other markets like the European Union. Also, the impact of tariffs on raw materials including peas, soybeans, and fertilizer will likely trickle down throughout the supply chain which could cause an increase in plant protein prices based on market feedback.
- **Vegetables:** With the situation unchanged, the US-China tariff battle has sparked concern among Expana market participants within the Individually Quick Frozen (IQF) vegetable sector. There is growing uncertainty about how heightened tariffs will affect pricing and supply chain costs.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

- China's 125% tariff on US soybeans remains in place as a retaliatory measure against the 145% tariffs imposed by the US on Chinese products. Any potential de-escalation in the trade dispute could bolster US soybean prices if trade between the two nations resumes or increases.
- According to data from the USDA, China has not placed orders for US soybeans since January 16, four days since the inauguration of Trump. This situation has caused concerns among US soybean farmers according to the American Soybean Association (ASA).

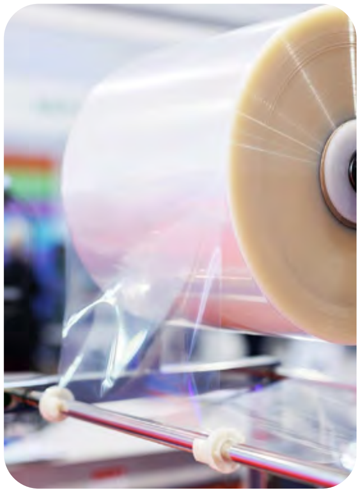
METALS & ORES

by Artem Segen

- The US steel market felt strain before tariffs took effect, with March import volumes up 11% month-on-month (m-o-m) but stable year-on-year (y-o-y), according to preliminary census data. Market participants were keen to finalize contracts before March 12, when tariffs took effect, causing a surge in shipments and accelerating logistics.
- However, quarterly data showed a subdued trend. Total US steel imports in Q1 2025 were 7 million tonnes - 18% higher than Q4 2024, but only 4% above Q1 2024 levels. Against the backdrop of a changing regulatory environment, shipments from Canada declined by 8% y-o-y in Q1 2025. At the same time, Brazil increased exports by 7% y-o-y, especially in January—before quotas began. Brazilian imports started to decline in March, with 389,400 tonnes shipped compared to over 530,000 tonnes in January. Mexico saw a similar pattern, with a 13% y-o-y increase, with the highest volume coming in January.
- In addition to the traditional major suppliers, Germany (+52%), Taiwan (+21%), China (+23%), Italy (+24%) and Spain (+74%) showed significant growth. India particularly stood out, growing steel shipments to the US by 44% q-o-q and 124% y-o-y. Turkish exports more than quadrupled q-o-q on back of robust demand and substitution attempts.

PLASTICS

by Andrew Woods

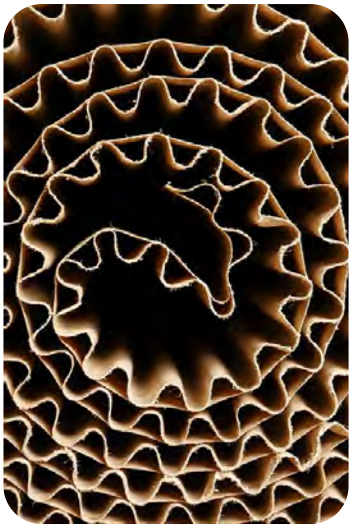


- Like last week, market sources continue to digest the 90-day pause in reciprocal tariffs and ongoing 10% levy. The key impact of tariffs in the plastics market relates to China. US-China trade is important within the plastics markets, specifically for different grades of polyethylene (PE) and polypropylene (PP). Players in China had prepared for the tariffs by front-loading exports and increasing production in recent weeks.
- However, 145% levy on Chinese goods and the 125% reciprocal tariff is severely impacting Chinese importers of ethane, which primarily comes from the US. Ethane is a derivative of natural gas and used in the production of various grades of polyethylene, an important material for packaging and construction.
- Market sources note that some crackers in China, and potentially plastics producers, could run into financial difficulties soon unless the tariffs are reversed or reduced. In recent days, senior officials in the Trump administration have hinted that the tariffs against China may come down.

PULP, PAPER & WOOD

by Greg Potter

- With a weakening dollar and increasing inventories from previous hedging, market sources in the pulp industry reported weaker volume demand this week.
- With uncertainty surrounding reciprocal tariff implementation on July 8, buyers were slowing down on purchases of imported pulp and paper products due to concerns about shipments clearing customs, market sources reported. In the paper market, sources say some buyers are shifting to domestic sources when possible, due to the tariff uncertainty, even if prices may be slightly higher for some products.



CLOSING

As quarterly earnings calls take place, participants across all markets are gaining insight into business-specific tariff perspectives.

Regardless of consumer demand, retailers are starting to shift sourcing regions where possible. For example, US retailers are leaning on free-trade agreements like USMCA.

As new information becomes available, Expana experts will be delivering the latest insights and impacts.

The information contained within this report was updated as of April 24. Real-time updates are available within Expana's suite of online platforms.

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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.