


# Tariff Talks 2025

## Expana's Weekly Rundown

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## INTRODUCTION

As of June 4, US President Trump's executive order to double the previously implemented US 25% tariffs on steel and aluminum has gone into effect—upping the duty to 50% for associated imports in most cases. Also, the tariffs in place are expected to reduce US deficits by \$2.8 trillion, but would also shrink the economy, and increase inflation, according to the [Congressional Budget Office](#).

In response, the Canadian Steel Producers Association called on the government to impose 50% tariffs on imported US steel, according to a [press release](#). Fow now, Canada will delay countermeasures as the country already implemented 25% tariffs on about \$43.7 billion of US imports, reported Dow Jones.

Canadian Prime Minister Carney and President Trump are reportedly talking about a new bilateral economic-and-security deal after the country was mentioned when the Trump administration's "Golden Dome" project was unveiled.

As of June 5, President Trump has spoken with Chinese President Xi Jinping, according to multiple sources.

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"I just concluded a very good phone call with President Xi, of China, discussing some of the intricacies of our recently made, and agreed to, Trade Deal," President Trump wrote on Truth Social.

It's not clear if trade negotiations will be muddled by an alleged "agroterrorism" attempt on US grains crops by two Chinese citizens, reported [Expana](#).

Otherwise, President Trump asked that countries bring their best trade offers to the table by June 4. However, Expana's market reporters aren't yet sure if a simple memorandum or letter of intent will be enough for countries to skirt high tariff rates.



In the past, President Trump said that countries whose leaders could not ink a mutually beneficial trade deal with the US would have their tariff rate set by the US trade team. If the latter were to occur, countries like Vietnam would face a reciprocal tariff rate of 46%, according to [Expana's weekly tariff rundown](#).

Despite many reports of international trade talks, there is not one trade contract in action yet. The highly publicized trade deal between the US and the United Kingdom should be first, possibly followed the European Union. As of June 5, a trade deal between the US and India for market access and supply chain synchronization is likely to be announced by month end.

**After last week's update, this publication contains information available to Expana's team as of June 5. 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

On June 4, US 50% tariffs on steel and aluminum were implemented. Since April 2, the Trump administration added beer can imports to these tariffs. About 10-12% of global aluminum is consumed in packaging, according to one Expana market reporter's estimates. Most beer cans, for example, are only partially made from aluminum on the outside of the can, usually with some sort of plastic polymer on the inside.

A New York alcohol importer was one of the plaintiffs in the USCIT case against IEEPA tariffs—the plaintiffs in this case were expected to respond to the appeal on June 5.

Otherwise, alcoholic beverage companies and global businesses continue to draw back fiscal predictions amidst tariff uncertainty—with one large French spirits maker being the latest to withdraw financial targets.

Alcoholic beverages like US Kentucky bourbon whiskey, French cognac, and region-specific wines are some of the main products caught in the tariff crossfire.

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



## COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher



**Coffee:** Trade is picking up as global contract prices for coffee fall on international exchanges. US roasters are sporadically coming back into the market, with most of the interest heard for Colombian coffee, according to market participants who believe there is some stockpiling happening ahead of the end-date of July 9 for the reciprocal tariff pause.

**Cocoa:** Cocoa futures prices on the ICE London exchange have trended sideways amid more hopeful weather reports for the main crop later this year, and uncertainty and pessimism about the size of the current mid-crop. Ahead of the main harvest, about half of the cocoa export contracts from Ivory Coast have been sold, reported Reuters. Regarding tariffs, market sentiment has created delayed action from industry participants who still want to wait and see how the global trade situation will develop.



## DAIRY

by Brittany Feyh, Courtney Shum

Retaliatory tariffs remain a major concern for the US dairy industry, particularly as the July 9 deadline, the potential date for reinstatement, approaches. Industry participants have voiced growing unease to Expana, worried that a resurgence of tariffs and countermeasures will once again restrict access to key global markets, especially with China.

Recently, prices for low-protein whey powders and whey permeate have rebounded as trade flows resumed during the tariff pause. However, this recovery now appears fragile. With lengthy ocean transit times and no clear indication that tariffs will be avoided, many exporters are holding back on adding more shipments to China.

There is increasing apprehension that duties may be reinstated before the product arrives, potentially pricing US dairy out of the market.

Meanwhile, discussions continue with other potential trade partners. The US is actively engaged in talks with both the UK and EU. Domestic dairy producers are cautiously optimistic that a trade agreement could be reached, potentially providing expanded access to high-value European markets. US dairy commodities—particularly butter and cheese—are currently trading at a discount to comparable European products, offering an opportunity for American exporters to gain a competitive edge if trade agreements can be reached.



## EGGS

by Allison Berry



Rising costs tied to imported packaging materials are adding upstream pressure to egg production. Molded pulp and polystyrene—core components for retail cartons—have become more expensive due to elevated import duties and logistical surcharges on foreign-sourced inputs.

While shelf prices have fallen in recent days, helping to lift retail demand, the added cost of packaging is tightening margins for some suppliers.

Packaging typically represents a modest portion of total costs, but in today's fluctuating market, even small increases are harder to absorb. In a more active retail setting, cost sensitivity remains high, limiting how much can be passed on at the shelf.

Though not expected to impact supply in the near term, these developments highlight how shifts in trade policy can influence production costs—even for domestically sourced shell eggs.

## POULTRY

by Elsi Rodewald, Dylan Hughes



Global trade for the chicken market remains largely centered around the HPAI situation with the recent detection in Brazil, while tariffs have taken a bit of a back seat. With that said, US exporters of chicken keep an eye on the ongoing trade negotiations.

One of the areas receiving the greatest amount of attention is the US and China trade negotiations as processors of chicken paws look to move production. Within the last couple of decades, chicken paws have increased in value due to Chinese purchasing.

However, there are very few domestic outlets. Processors are hopeful that the trade talks may once again open the Chinese market. With that said, there is a sense of hesitancy as there are other avenues keeping US production out of China besides the tariffs. These include reports of failed inspections, customs valuations, and HPAI restrictions.

Another area of interest is the US and EU trade talks. So far, no progress has been made in shifting the EU's policies toward US chicken that has been processed in a facility that utilizes chlorine. Should this change, it could open a substantial opportunity for the US poultry industry.

## RED MEAT

by Mason Augustino, Junie Lin

On May 28, the US Court of International Trade ruled that President Trump exceeded his authority under IEEPA by imposing the "Liberation Day" tariffs. A federal appeals court issued a temporary stay on May 29, keeping the tariffs in place during the appeal. Briefs are due June 5 and 9. Tariffs on red meat were not directly addressed and remain in effect, pending further clarification.

**Beef:** Tariffs on US beef to China dropped from 147% to 32%, but access remains limited. As of June 4, only 238 US beef plants held valid CIFER licenses, with 398 awaiting renewals. One more plant was suspended June 3, bringing the total to 16.

**Pork:** As part of a 90-day US-China tariff rollback starting May 14, US tariffs on Chinese goods dropped to 30%, while China lowered pork tariffs to 10%. Overlapping duties keep the effective US pork tariff near 57%. Without a deal by August 12, rates will reset to 54% on Chinese goods and 34% on US pork.

**Veal:** Dutch veal is subject to US import tariffs ranging from 20% to 26.4%.



## SEAFOOD

by Angel Rubio, Janice Schreiber

Shrimp, the most consumed seafood in the US, continues to see soft demand amid higher import costs and rising volumes. These conditions have led US importers to proceed cautiously with forward purchases. The buying window for shipments from key Asian suppliers—India, Indonesia, and Vietnam—has closed for arrivals ahead of the proposed tariff deadline. Ecuador’s window is also narrowing, though it is more likely to retain the current 10% tariff. As a result, forward commitments remain limited as buyers await further clarity on trade measures.



Section 301 tariff exclusions, originally set to expire on May 31, have been extended to August 31, 2025. This impacts items such as haddock and flounder. Some participants report increased sales activity following the extension, while others note the 30% tariff on Chinese items continues to limit sales. The market is closely watching how buyers respond. Additionally, upward pressure on freight rates, shipment delays, and container constraints are being reported for China-origin imports.

## 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 nearly wrapped up, above the five-year average, which is pressuring corn prices.

Recently, Vietnamese firms will sign memorandums of understanding with US partners to buy \$2 billion worth of American farm products like corn, wheat, dried distillers grains, and soybean meal, reported [Reuters](#).

## FEED ADDITIVES

by Simon Duke



US courts struck down parts of the Trump administration's 10% and 20% tariffs on China, creating new legal and political uncertainty for feed additive markets. The Trump administration has since appealed, and tariffs remain in place for now, but the rulings may delay or complicate future trade negotiations.

For feed phosphates, China-origin product faces a 10% reciprocal base rate tariff when entering the US. Previous tariffs still apply, so the cumulative tariff rate is now 55%. At the same time, the US reciprocal tariffs on other countries, including a 10% baseline duty on EU-origin feed phosphate, remain in effect.

In addition to potential changes to existing US tariffs on China, rising freight costs are further complicating trade. Importers in the US and Canada are keeping a close eye on these volatile rates which increased significantly in May.

## FRUIT & JUICES

by Craig Elliot, Holly Bianchi

**Juice:** The current situation for apple juice remains unchanged. After tariff pauses, the US 30% tariff on Chinese goods provided relief to the apple juice industry, which would have faced serious demand erosion at the previous 145% duty, said sources.

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:** The fluctuating tariff situation continues to add uncertainty to operations within the fruit industry, with one industry player commenting that even small adjustments to the administration's tariff policy can significantly affect pricing.

According to market sources, banana prices are currently higher than usual for this time of year, owing to the 10% blanket tariff on US imports and tight global supply.





## 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, this is set to expire next month on 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. The eased tensions between the US and China have allowed Chinese buyers to express recent interest in US-origin nuts. 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.

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:** The Trump administration appealed and a “stay” for tariffs was issued after the USCIT ruled that “Liberation Day” tariffs (bunket 10% tariff on all imports and higher rates on goods from countries like China, Mexico, and Canada) were illegal.

US-EU trade negotiations are ongoing, with Trump delaying a 50% tariff on EU imports and the EU pausing a retaliatory package on US goods that includes agricultural items. With the tariff situation in flux, industry players are maintaining a wait-and-see approach, with some calling on the US to consider the timing and regional availability of fresh produce when implementing tariffs. While there have been no major tariff-related developments in the EU vegetable sector, the significant uncertainty around global trade persists.

**Plant Proteins:** The market sentiment for plant-based proteins remains unchanged. Anti-dumping tariffs on pea protein concentrate imports from China are still in effect, and industry players anticipate the duties to stay in place until further notice. 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 demands, despite ongoing tariffs, according to industry players. 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.

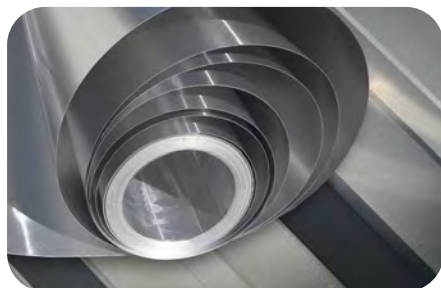
The tight supply situation in the soybean (oil) market(s) may prompt buyers, including India, to turn to alternatives like palm oil, which recently regained position as the price floor in the vegetable oil complex. Henceforth, Indian palm oil imports may be a feature of the market as sources estimate imports of more than 700,000 MT in June and 820,000 MT in July. Past mid-2025, pipelines remain limited and could ‘mandate’ purchases, suggested sources.

Exports of canola to China have been large as China’s anti-dumping investigation into Canadian canola continues. China is also importing significant amounts of canola for crush, in part due to the feed industry’s canola meal requirement.



## METALS & ORES

by Artem Segen



On June 4, the Trump administration signed an executive order increasing tariffs on steel and aluminum imports from 25% to 50%, once again relying on the provisions of Section 232. Major metals companies in the US, including US Steel and Century Aluminum, stand to gain a short-term advantage: after the announcement, both manufacturers' shares rose 6–9% over two trading sessions. However, for the automotive, construction, and packaging industries, the new tariff increase means higher

purchase prices and disruption to stable supply channels. On June 2, the first business day following the announcement, hot-rolled coil (HRC) futures prices jumped 6% from Friday, while the premium for aluminum in the US rose 5%.

Canada and Mexico, the key suppliers of steel and aluminum to the US, have expressed deep concerns over the impacts to manufacturing in North America. The Canadian government has not yet announced any new retaliatory measures. Prime Minister Mark Carney has called the tariffs “illegal”. Mexican Economy Minister Marcelo Ebrard said that Mexico is demanding an exemption like that granted to the United Kingdom.

EU metals market players are waiting for countermeasures to be adopted.

## PLASTICS

by Andrew Woods

Like recent weeks, plastics trade remains muted in line with marked uncertainty due to the unpredictability of tariffs. The decision by a US trade court to block tariffs, followed by an appeal that put the tariffs back in action, made trade exceedingly difficult for exporters and for buyers purchasing from foreign origins. However, some sources noted that trade talks between the US and China were progressing.



The uncertainty continues to weigh on raw material prices, with ethylene and propylene prices remaining depressed. However, despite the unpredictability, the prices of paraxylene—the key raw material for PET—are beginning to increase. Sources believe this is an early indicator of producers of PET bottles increasing manufacturing levels to cater for summer demand.

## PULP, PAPER & WOOD

by Greg Potter



Sources report that many firms who have been stockpiling Bleached Eucalyptus Kraft Pulp (BEKP) from South America have stopped or slowed purchases as inventories have reached near capacity which combined with continued reduced demand from China has resulted in some softening of BEKP prices over the last month. One source reported that they were holding off on further purchases until the tariff situation with Brazil and other South American countries becomes clearer.

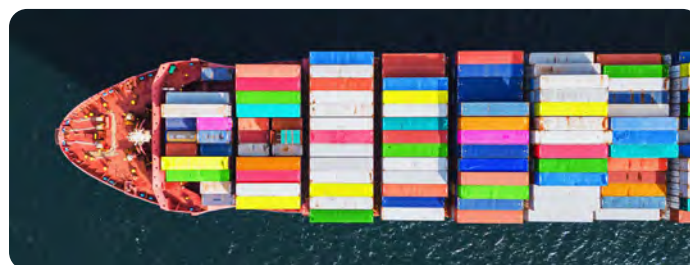
Brazilian Finance Minister Fernando Haddad said in early May that the two countries are “at a table negotiating the terms of an understanding.” So far there has been no agreement between any country in South America and the US and tariffs remain at 10%.

### CLOSING

After a seemingly major court case ruled against the Trump administration’s IEEPA tariffs last week, the US Federal Court of Appeals issued a “stay” to turn the roadblock into a mere bump on the global trade roadway, for now. The federal court ordered plaintiffs in the cases to respond by June 5 and Trump’s administration by June 9, reported [Expana](#).

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 court ruling did not apply to sector-specific tariffs on steel and aluminum, or on foreign automobiles. Plus, the US trade officials may still implement more sector-specific tariffs on pharmaceuticals, for example.

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.](#)



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.

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](#)).

The information contained within this report was updated as of June 5. Real-time updates are available within Expana’s suite of online platforms.

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